

against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

3604. Also, petition of Henry W. Katz and 20 petitioners, of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

3605. Also, petition of Ralph Alsmeyer and 20 petitioners, of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

3606. Also, petition of James Cade and 39 petitioners, of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

3607. Also, petition of Eugene H. Rush and 20 petitioners, of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

3608. Also, petition of N. W. Fitzgerald and 20 petitioners, of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

3609. Also, petition of Daniel J. Gleason and 39 petitioners, of St. Louis, Mo., protesting against the enactment of any and all prohibition legislation; to the Committee on the Judiciary.

3610. By Mr. WARD JOHNSON: Petitions signed by 104 members of the First Christian Church of Long Beach, Calif., of which Dr. Homer A. Strong is the pastor, urging the passage of the Bryson bill, H. R. 2082, which would prohibit the manufacture, sale, or transportation of alcoholic liquor in the United States for the duration of the war and until the termination of demobilization; to the Committee on the Judiciary.

3611. Also, petition signed by Rev. Charles E. Venable, pastor of the Christian Church of Compton, Calif., and 139 members of the congregation, urging the passage of the Bryson bill, H. R. 2082, which would prohibit the manufacture, sale, or transportation of alcoholic liquor in the United States for the duration of the war and until the termination of demobilization; to the Committee on the Judiciary.

3612. Also, petition signed by 176 members of the Methodist Church of Compton, Calif., of which Reverend Hooper is the pastor, urging the passage of the Bryson bill, H. R. 2082, which would prohibit the manufacture, sale, or transportation of alcoholic liquor in the United States for the duration of the war and until the termination of demobilization; to the Committee on the Judiciary.

3613. By Mr. HALLECK: Petition of sundry citizens of Milford, Ind., and vicinity, favoring the enactment of House bill 2082; to the Committee on the Judiciary.

3614. By Mr. LEONARD W. HALL: Petition of sundry citizens of Nassau and Suffolk Counties, Long Island, N. Y., urging Federal prohibition of vivisection practices; to the Committee on the District of Columbia.

3615. By the SPEAKER: Petition of the president of the Koolau-poko Lions Club, Honolulu, T. H., petitioning consideration of their resolution with reference to amendment of the Nationality Act of 1940, by removal of limitation as to ancestry; to the Committee on Immigration and Naturalization.

SENATE

THURSDAY, NOVEMBER 18, 1943

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Father of all men, at noontide, amidst the clamor of busy cares, we seek a quiet

cloister of the soul where spirit with spirit may meet. In this anguished day of the world's passion and pain we would purge and purify our own hearts as we face the high demands of the public good committed to our keeping. In righteous wrath we have lifted a sword bathed in heaven and have pledged our all to the destruction of a hideous system which conscripts the soul of the individual as a slave of the state, which pollutes the intellectual and moral springs from which it bids its young to drink and which seeks to poison the springs of our own democracy.

Fix our eyes this day not on what we vow before Thee to tear down but what, in Thy name and for the sake of all Thy children, we pledge to build up. Forgive us that it has taken the lurid glare of a global war, with its terror and horror, for us to recognize that all peoples must work out the common concerns of the world together or else go down together into the red burial of a final suicidal holocaust. O Thou strong Father of the nations, draw all Thy great family together with an increasing sense of our common blood and destiny, that peace and justice, with equal worth and freedom to all, may come at last to a cleansed earth—the home of a holy brotherhood of peoples. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, November 16, 1943, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 759. An act conferring jurisdiction upon the United States District Court for the Eastern District of Tennessee to hear, determine, and render judgment upon the claim of W. I. Dooley;

S. 770. An act for the relief of Eddie Percle;

S. 862. An act for the relief of the Grafton Boat Works;

S. 950. An act for the relief of the Milford Trust Co. and Blanche R. Bennett, as administrators of the estate of Charles E. Reed, deceased;

S. 1008. An act for the relief of Gerald G. Woods;

S. 1246. An act for the relief of Ervin S. Finley;

S. 1309. An act for the relief of Pan American Airways, Inc.; and

S. 1382. An act for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of war conditions.

The message also announced that the House had passed the bill (S. 1169) for the relief of Samuel Margolin, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3363) extending the time within which applications under section 722 of

the Internal Revenue Code must be made.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 248. An act for the relief of Louis Courcel;

H. R. 399. An act for the relief of John Sims;

H. R. 1133. An act for the relief of Sam Swan and Ally Swan;

H. R. 1220. An act for the relief of Paul J. Campbell, the legal guardian of Paul M. Campbell, a minor;

H. R. 1442. An act for the relief of Lafayette Gibson;

H. R. 1594. An act for the relief of Peter A. Gawalis;

H. R. 1737. An act for the relief of the Saunders Memorial Hospital;

H. R. 1854. An act for the relief of Ethel Cohen;

H. R. 1934. An act for the relief of Mrs. Donald B. Johnston;

H. R. 1984. An act for the relief of Paul Barrere;

H. R. 2005. An act for the relief of Christine Mangrum, Luster Mangrum, and Nathan Mangrum;

H. R. 2075. An act for the relief of Charles R. Hooper;

H. R. 2091. An act for the relief of Mrs. Gladys M. Greenleaf and the estate of Ralph Alton Greenleaf, deceased;

H. R. 2236. An act for the relief of Roberta Ramsey;

H. R. 2315. An act for the relief of Ethel Phillips and Mary Hurley;

H. R. 2385. An act for the relief of Nadine Gorman;

H. R. 2440. An act for the relief of Mrs. Priscilla B. McCarthy;

H. R. 2469. An act for the relief of Anna Charack;

H. R. 2691. An act for the relief of Tom S. Steed;

H. R. 2792. An act for the relief of Arvo Karl, Lempi K. Holm, and Burt Johnston;

H. R. 2999. An act for the relief of Leo Gullo;

H. R. 3000. An act for the relief of Clara E. Clark;

H. R. 3039. An act for the relief of Mrs. C. W. Selby;

H. R. 3136. An act for the relief of Hamp Gossett Castle, Lois Juanita Gimble, Margaret Carrie Yarbrough, and Roy Martin Lyons;

H. R. 3153. An act for the relief of the estate of Jennie I. Weston, deceased;

H. R. 3356. An act to increase the service-connected disability rates of compensation or pension payable to veterans of World War No. 1 and World War No. 2, and veterans entitled to wartime rates based on service on or after September 16, 1940, for service-connected disabilities, and to increase the rates for widows and children under Public Law, 484, Seventy-third Congress, as amended, and to include widows and children of World War No. 2 veterans for benefits under the latter act; and

H. R. 3377. An act to increase the rate of pension for World War veterans from \$40 to \$50 per month, to \$60 per month in certain specified cases, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 321. An act to facilitate and simplify collection procedure in the Department of the Interior;

S. 364. An act to authorize the Secretary of the Interior to settle certain claims;

S. 1336. An act to authorize the transportation of dependents and household effects of personnel of the Navy, Marine Corps, and Coast Guard under certain conditions, and for other purposes;

S. 1354. An act to amend the act approved January 16, 1936, entitled "An act to provide for the retirement and retirement annuities of civilian members of the teaching staff at the United States Naval Academy and the Postgraduate School, United States Naval Academy"; and

S. J. Res. 59. Joint resolution authorizing the President of the United States of America to proclaim armed services honor day for the recognition and appreciation of the patriotic devotion to duty of all members of all branches of the armed military and naval forces of the United States of America.

REASON FOR ABSENCE OF SENATOR REVERCOMB ON VOTES ON BANKHEAD BILL

Mr. WHITE. Mr. President, on two or three occasions while Senate bill 1457, the so-called Bankhead newspaper advertising bill, was before the Senate, on roll calls and yea-and-nay votes I announced the absence of the Senator from West Virginia [Mr. REVERCOMB]. The Senator is so constant in his attendance and so faithful in his work, that I feel that I ought to add that he was absent because of a death in his family. It is that circumstance to which I had reference when I previously announced his necessary absence.

EXTENSION OF TERMS OF PRESIDENT AND VICE PRESIDENT OF THE PHILIPPINES

Mr. TYDINGS. Mr. President, following the passage the other day of the bill extending the terms of the President and the Vice President of the Philippines, President Quezon has written a letter stating, in general, his position in the matter, and Vice President Sergio Osmeña has broadcast a short message to the Filipino people as to his position in the matter, both in approval of the bill. I ask that these two communications be printed in the RECORD.

There being no objection, the letter and message were ordered to be printed in the RECORD, as follows:

OFFICE OF THE PRESIDENT OF THE PHILIPPINES,

Washington, D. C., November 13, 1943.
The Honorable MILLARD E. TYDINGS,
Chairman, Committee on Territories
and Insular Affairs,
United States Senate,
Washington, D. C.

MY DEAR SENATOR TYDINGS: The joint resolution to provide for the continuation of the Government of the Philippine Islands which was unanimously passed by the Senate and by a big majority in the House has touched me deeply and has been a source of pride and gratification. I take it as a public recognition on the part of the representatives of the American people of my service to my country and to the United States in this hour so tragic for both peoples, and of my continued usefulness in the military struggle which lies before us.

Very sincerely yours,

MANUEL L. QUEZON.

VICE PRESIDENT SERGIO OSMEÑA'S MESSAGE TO ALL FILIPINOS IN THE PHILIPPINES AND ABROAD

My countrymen, a joint resolution was passed by Congress continuing President Quezon in office for the duration of the war. Under this resolution which has been ap-

proved by the President of the United States, my right to succeed to the presidency on November 15, 1943, has been postponed until constitutional processes shall have been restored in the Philippines.

Congress acted on this matter upon the request of the Philippine Government in exile and this action of the Philippine Government was taken on my own initiative. I owe it to my people who gave me their confidence in the last elections to state the reasons for my action.

If we were in normal times, my duty would be clear and simple: I would have to assume the presidency on the 15th of this month as a matter of right. But these are not normal times. Our country not only is at war, but also is occupied by the enemy.

Under these circumstances, our principal concern and primary consideration is to win the war, liberate our people from the invaders, and establish the independence of our country. The question naturally arises: What is the best thing to do in order to help accomplish these aims?

It is unnecessary for me to remind you that President Quezon was the head of our Government at the time of the outbreak of the war and that it was his lot to lead our people by the side of the United States. Faithfully and courageously, he has complied with his duty even with his health greatly impaired. His voice continues to encourage our people to resist the enemy and to keep faith with the United States. It was he who signed for us the declaration of the United Nations. Due to his efforts the Philippines has been given a seat in the Pacific War Council.

Moreover, those responsible for the prosecution of the war on the part of the United States have expressed to me their concern over the possible effect of the change of leadership at this time. They said that the enemy would take advantage of President Quezon's retirement from active leadership by telling the Filipinos that President Quezon had withdrawn from the fight and that he was no longer interested in this war. They added that the morale of the Filipinos still fighting the enemy in the mountains of Luzon, Visayas, and Mindanao and receiving inspiration from him might weaken if President Quezon retired. Furthermore, they told me that in their opinion, based on recent information from the front, the unity of our people in general would be better maintained and secured with the retention of President Quezon in office since that would mean that both of us would continue working together.

The Presidential succession therefore ceased to be a domestic matter involving only our own interests and desires. Related, as it was, to the war, it became a matter that concerned not ourselves alone but also the United States.

With the redemption of our country uppermost in my mind and with the conviction that this objective cannot be achieved without the full support, much less without the leadership, of the United States, I prepared the letter which the Philippine Government approved and sent to Congress. In that letter, the matter of the Presidential succession was placed before Congress with the request that they review the whole situation and take such action as in their wisdom will best serve the interest of the Filipino people, their constitutional Government, and the Government of the United States during this emergency.

Congress, after thorough consideration, passed the joint resolution providing for the continuance in office of President Quezon for the duration of the war. This resolution expresses the considered judgment of the American people. I accept it without reserve and I urge every Filipino, whether in the homeland, in continental United States, in Hawaii, or anywhere else, to accept this congressional action which is intended to safeguard the best interests of the two peoples.

As for me, I consider it my inescapable duty to continue giving to President Quezon's leadership my utmost support and cooperation so that the Commonwealth Government now in Washington may render the greatest service to the Philippines and the Filipinos. It is my desire to assist the Commonwealth Government in its endeavor to make every Filipino, wherever he may be, feel that he is close to his Government which is always solicitous of his interest and welfare.

Fellow countrymen, these are critical days for individuals as well as nations. Our sense of responsibility as a people and the strength of our national solidarity have once more been tested. We have again proved our unity. With this action, we have shown the world that when the freedom of our country and the validity of our commitments are at stake, there are no differences among us and selfish considerations carry no weight in our decisions.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

A letter from the Attorney General, submitting, pursuant to law, a report stating all of the facts and pertinent provisions of law in the cases of 157 individuals whose deportation has been suspended for more than 6 months under authority vested in the Attorney General, together with a statement of the reasons for such suspension (with accompanying papers); to the Committee on Immigration.

VIOLET LENA PRUETT (NEE LEFLER)

A letter from the Attorney General referring to his letter of May 1, 1943, and specifically to the case of Violet Lena Pruett (nee Lefler), and stating that new and additional evidence is now before the Attorney General which warrants reconsideration of the entire proceedings and requesting that the case in question be withdrawn from among those now before Congress; to the Committee on Immigration.

PERSONNEL REQUIREMENTS, DEPARTMENT OF COMMERCE

A letter from the Administrative Assistant to the Secretary of Commerce, submitting, pursuant to law, an estimate of personnel requirements for the office of the Secretary of Commerce for the quarter ending December 31, 1943 (with an accompanying paper); to the Committee on Civil Service.

REPORT OF OFFICE OF PRICE ADMINISTRATION

A letter from the Administrator of the Office of Price Administration, transmitting, pursuant to law, a report of the Office of Price Administration for the period ended June 30, 1943 (with an accompanying report); to the Committee on Banking and Currency.

REPORT OF NATIONAL SOCIETY OF THE DAUGHTERS OF THE AMERICAN REVOLUTION

A letter from the Secretary of the Smithsonian Institution, transmitting, pursuant to law, the annual report of the National Society of the Daughters of the American Revolution for the year ended April 1, 1943 (with an accompanying report); to the Committee on Printing.

REPORTS ON THE ELECTRIC UTILITY INDUSTRY

A letter from the Chairman of the Federal Power Commission, transmitting, pursuant to law, copy of the sixth consecutive annual report, entitled "Statistics of Electric Utilities in the United States," containing detailed financial and operating information on the Nation's major privately-owned electric utilities for the calendar year 1942, together with composite financial and operating statements of the companies for the years 1937-42, summarized in a special report of the

Commission entitled "The Financial Record of the Electric Utility Industry, 1937-42" (with accompanying papers); to the Committee on Commerce.

ADDITIONAL REPORT OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES—FEDERAL OWNERSHIP OF REAL ESTATE (S. DOC. NO. 130)

The VICE PRESIDENT laid before the Senate a letter from the Senator from Virginia (Mr. BYRD), chairman of the Joint Committee on Reduction of Non-essential Federal Expenditures, transmitting, pursuant to law, an additional report of the joint committee relating to Federal ownership of real estate, which was ordered to be printed.

Mr. BYRD. Mr. President, on behalf of the Joint Committee on the Reduction of Nonessential Federal Expenditures, I have submitted a report on the Federal ownership of real estate and ask that it be printed as a Senate document and also printed in the body of the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The report is as follows:

REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES—FEDERAL LAND AND PROPERTY
TOTAL FEDERAL ACQUISITION OF LAND

Federal ownership of real estate in the United States will comprise over one-fifth of the entire land area of the country, if pending condemnations, purchases, and prospective acquisitions are consummated. This total of 384,519,556 acres is indicated by the following tabulation:

TABLE I.—Total acreage of land owned by the Federal Government (including public domain, past acquisitions, and prospective acquisitions)

	Acreage
Total land owned by United States June 30, 1940 ¹	368,816,289
Acquired July 1, 1940, to June 30, 1941 ²	2,458,302
Acquired July 1, 1941, to June 30, 1942 ²	1,813,825
Acquired July 1, 1942, to Jan. 30, 1943 ²	2,546,050
Pending condemnation ³	6,291,269
Pending direct purchase ³	424,798
Prospective acquisitions:	
War Department ³	1,150,000
Navy Department ³	100,000
Total	383,600,533

¹ Federal Works Agency computation.

² Department of Justice computation.

³ Excludes estimated transfers.

This total of 383,600,533 acres owned or to be acquired by the Federal Government is equal in size to the combined area of Maine, New Hampshire, Vermont, Rhode Island, Massachusetts, Connecticut, Pennsylvania, New York, New Jersey, Delaware, Maryland, West Virginia, Virginia, North Carolina, South Carolina, Georgia, Florida, Ohio, Alabama, Kentucky, and Indiana. It represents 20 percent of the entire area of the United States.

Of the total land acquired by the Federal Government up to June 30, 1940, 334,967,000 acres were in the public domain and 33,829,000 acres were acquired by purchase, condemnation proceedings, etc.

From July 1, 1940, to January 30, 1943, land acquisitions totaling 14,884,244 acres have been acquired or are in the process of condemnation or purchase. This represents a total of 23,256 square miles, a land area nearly equaling that of West Virginia.

LAND ACQUISITION BY AGENCY

By making use of all available data a complete survey of land acquisition by department and agency may be arrived at. The following tabulation may lack absolute completeness, as a comparison with table I will illustrate, but in general it may be stated that the figures shown below are the nearest approach to a complete record as is existent.

TABLE II.—Land acquisition, by agency, to Jan. 30, 1943

Establishment	Acreage acquired prior to June 30, 1940 ¹	Acreage acquired July 1, 1940-Jan. 30, 1943 ²	Total acres acquired to Jan. 30, 1943	Cost of acreage acquired prior to June 30, 1940 ¹	Cost of acreage acquired, July 1, 1940-Jan. 30, 1943 ²	Total cost of acreage acquired to Jan. 30, 1943
Department of Agriculture	158,956,034	3,796,574	162,752,608	\$101,738,904	\$14,278,198	\$116,017,102
Department of Commerce	32,201	236	32,437	2,639,823	128,212	2,768,035
Department of the Interior	204,676,431	409,408	205,085,839	104,849,944	3,883,588	108,733,532
Department of Justice	25,575	180	25,756	1,998,610	24,660	2,023,270
Navy Department	499,961	98,527	598,488	25,674,927	17,646,734	43,321,661
Post Office Department	1,806		1,806	139,988,647		139,988,647
Department of State	35,432	17,522	52,954	553,917	31,882	585,799
Treasury Department	30,114		30,114	4,874,830		4,874,830
War Department	3,847,004	2,469,516	6,316,520	119,804,306	156,069,773	275,874,079
National Capital Housing Authority	150		150	1,081,409		1,081,409
Architect of the Capitol	206		206	17,269,166		17,269,166
Federal Communications Commission	61	477	538	1,451	59,470	60,921
Federal Reserve Board	5		5	737,180		737,180
Federal Security Agency	15,028		15,028	3,999,840		3,999,840
Federal Works Agency	3,980	20,237	24,217	88,140,441	2,005,240	90,145,681
Government Printing Office	5		5	5,658,736		5,658,736
Home Owners' Loan Corporation	1		1	1,141,500		1,141,500
National Advisory Committee for Aeronautics	39	200	239	20,000	500	20,500
Red Cross	4		4	257,634		257,634
Smithsonian Institution	199		199	276,561		276,561
Soldiers' Home	500		500	326,193		326,193
Tennessee Valley Authority	626,504		626,504	61,168,451		61,168,451
U. S. Maritime Commission	897	73	970	2,302,703	2,566,000	4,868,703
Veterans' Administration	64,151	2,340	66,491	11,919,067	147,140	12,066,207
Reconstruction Finance Corporation		46	46		425,842	425,842
National Housing Agency		2,485	2,485		1,114,677	1,114,677
District of Columbia		356	356		24,735	24,735
Total	368,816,289	6,818,177	375,634,466	\$691,524,231	198,376,651	\$889,900,882

¹ Federal Works Agency computations.

² Department of Justice computations.

³ Does not include cost of public domain.

As of January 30, 1943, of the total land acquired by the Federal Government at least 205,085,839 acres have been acquired by the Department of the Interior. Some 162,752,608 acres have been acquired by the Department of Agriculture. These two Departments, as of January 30, controlled over 95 percent of all land owned by the Federal Government. Much of this land is in the public domain.

The War Department as of the above date controlled 6,316,520 acres. This amount will have been considerably augmented when present pending acquisition, including transfers, totaling 16,769,185 acres are cleared. At such time the War Department will then have acquired 23,085,705 acres, including transfers. The Navy Department has acquired 598,488

acres with a similar 799,198 acres pending acquisition. This will total 1,397,686 acres. The Tennessee Valley Authority, fifth largest Government landholder, has acquired 626,504 acres with none pending.

The cost of land acquired by the Federal Government as of January 30, 1943, was \$889,900,882. This cost does not include the purchase of 334,967,431 acres of public domain, comprising five-sixths of all federally owned land. Nor does it include 8,762 parcels of land procured (such as city lots) which, from July 1, 1940, to January 30, 1943, cost \$144,952,377, for a total land cost of \$1,034,853,759 to January 30, 1943. (For a complete study of the parcel acquisitions in the Federal Government from June 30, 1940, to January 30, 1943, see appendix, table A.)

LAND ACQUISITION BY STATES

The table below indicates the Federal ownership of land in the various States as of June 30, 1940, as compiled by the Federal Works Agency. No more recent figures are at present available with the exception of the compilations found in the section entitled "Public Land Withdrawn in Connection With the National Emergency."

As of June 30, 1940, as noted below, more than 25 percent of the total federally owned land is in 11 Western States. Most of this was in the public domain. However, even at that time 33,829,000 acres acquired by purchase or condemnation were owned by the Federal Government. This total has been increased by 6,818,177 acres as of January 30, 1943, as indicated in table II.

TABLE III.—Record of Federal real estate, by States¹ (as of June 30, 1940)

State	Number of projects	Number of counties	Number of—		Acreage of Federal real estate—			Acreage of State—			Cost of Federal real estate—		
			Counties having Federal projects	Cities having Federal projects	Public domain	Otherwise acquired (purchase, condemnation, donation, etc.)		Total	Total	Federal	Land	Improvements	Total
						Rural	Urban						
1	2	3	4	5	6	7	8	9	10	11	12	13	14
Alabama.....	370	67	66	73	44,516	884,253	1,771	930,540	32,818,560	2.84	\$29,500,781	\$142,168,947	\$171,759,728
Arizona.....	189	14	14	16	30,585,679	356,432	46	30,942,157	72,838,400	42.48	1,476,241	131,387,502	132,863,743
Arkansas.....	227	75	72	59	1,123,215	1,390,690	1,231	2,515,136	33,616,000	7.48	6,248,533	32,109,381	38,357,914
California.....	800	58	58	150	39,946,071	1,004,885	8,538	40,959,494	99,617,280	41.12	28,342,167	319,956,791	348,298,989
Colorado.....	326	63	62	55	22,073,138	744,574	76	22,817,788	66,341,120	34.39	5,308,187	65,352,680	70,660,867
Connecticut.....	138	8	8	48	429	305		734	3,084,800	.02	3,524,035	18,127,635	21,651,670
Delaware.....	70	3	3	14		27,137	9	27,146	1,257,600	2.16	3,620,136	15,158,466	18,778,602
District of Columbia.....	972			1			11,146	11,146	44,320	25.15	101,461,058	436,784,457	538,245,515
Florida.....	315	67	66	55	216,609	1,556,135	1,549	1,774,293	35,111,040	5.05	6,123,571	67,888,603	74,012,174
Georgia.....	317	159	121	95		1,160,350	537	1,160,887	37,584,000	3.09	12,947,934	64,075,274	77,023,208
Idaho.....	299	44	44	46	31,307,132	1,099,084	822	32,407,038	53,346,560	60.75	4,130,881	56,327,525	60,458,406
Illinois.....	415	102	97	181		288,406	3,395	291,801	35,867,520	.81	22,694,632	191,140,873	213,835,505
Indiana.....	229	92	88	108		62,901	355	63,256	23,068,800	.27	5,190,977	39,465,424	44,656,401
Iowa.....	189	99	90	103		58,121	848	58,969	35,575,040	.17	4,321,557	29,772,352	34,093,909
Kansas.....	143	105	71	70	25,618	69,046	98	94,762	52,335,360	.18	1,740,674	40,468,927	42,209,601
Kentucky.....	226	120	95	75		583,545	1,118	584,663	25,715,840	2.27	10,149,324	55,957,078	66,106,402
Louisiana.....	227	64	56	52	14,566	1,037,738	473	1,052,777	29,061,760	3.62	13,860,495	115,643,948	129,504,443
Maine.....	220	16	16	66		98,432	1,062	99,494	19,132,800	.52	2,624,853	34,136,019	36,760,872
Maryland.....	143	24	22	30		124,107	711	124,818	6,362,240	1.96	13,349,269	135,578,180	148,927,449
Massachusetts.....	281	14	14	108		13,106	2,513	15,619	5,144,960	.03	31,190,233	135,859,379	167,049,612
Michigan.....	470	83	81	115	122,185	2,169,728	774	2,292,687	36,787,200	.62	13,985,698	68,447,626	82,433,324
Minnesota.....	246	87	70	79	1,431,377	1,670,143	1,985	3,103,505	51,749,120	6.00	9,975,193	43,901,154	53,876,347
Mississippi.....	321	82	79	76	9,671	1,234,250	904	1,244,825	29,671,680	4.20	8,906,477	29,373,802	38,280,279
Missouri.....	289	114	96	93		1,351,233	385	1,351,618	43,985,280	3.07	19,539,941	63,914,048	83,453,989
Montana.....	381	56	56	35	24,927,361	1,760,697	53	26,688,111	93,523,840	28.54	7,040,929	119,395,653	126,436,582
Nebraska.....	148	93	68	48	259,216	197,827	182	457,225	49,157,120	.93	2,782,747	22,178,813	24,961,560
Nevada.....	158	17	17	13	54,960,302	119,685	28	55,080,015	70,285,440	78.37	948,179	72,998,687	73,946,866
New Hampshire.....	56	10	10	27		668,233	69	668,302	5,779,840	11.56	6,111,857	5,941,514	12,053,371
New Jersey.....	270	21	20	100		26,693	604	27,297	4,808,960	.57	11,237,652	84,003,663	95,241,315
New Mexico.....	231	31	31	17	24,970,692	1,888,399	35	26,359,126	78,401,920	33.62	3,191,170	53,493,280	56,684,450
New York.....	638	62	61	198		87,240	5,435	92,675	30,498,560	.30	80,110,844	302,549,301	382,660,145
North Carolina.....	275	100	89	89		1,469,302	366	1,469,668	31,193,600	4.71	19,380,121	62,919,283	82,299,404
North Dakota.....	179	53	48	30	194,564	769,119	304	963,987	44,917,120	2.15	4,287,716	9,202,109	13,489,825
Ohio.....	393	88	88	160		91,463	1,199	92,662	26,073,600	.36	18,205,648	109,971,645	128,178,293
Oklahoma.....	239	77	73	69	171,240	245,850	136	417,226	44,424,960	.94	4,661,057	32,086,011	36,747,068
Oregon.....	284	36	36	44	26,629,080	795,965	168	27,425,213	61,188,480	44.82	7,649,130	113,811,909	121,461,039
Pennsylvania.....	429	67	63	208		520,075	2,406	522,481	28,692,480	1.82	27,790,908	153,833,611	181,624,609
Rhode Island.....	69	5	5	16		10,639	56	10,695	682,880	1.48	2,245,034	18,324,540	20,569,574
South Carolina.....	177	46	44	46		719,069	98	719,167	19,516,800	3.68	6,835,336	37,214,166	44,049,502
South Dakota.....	127	69	53	29	1,762,786	545,728	20	2,308,534	49,195,520	4.69	3,127,759	18,710,580	21,838,339
Tennessee.....	468	95	92	120		1,095,131	2,814	1,097,945	26,679,680	4.12	43,838,607	164,245,991	208,084,598
Texas.....	514	254	167	171	910,416	910,416	3,495	913,911	167,934,720	.54	15,528,963	116,292,890	131,821,783
Utah.....	249	29	29	30	35,565,121	200,123	120	35,765,364	52,597,760	68.00	2,443,281	53,808,317	56,252,097
Vermont.....	73	14	12	28		168,671	33	168,704	5,839,360	2.89	2,245,236	7,073,317	9,319,143
Virginia.....	366	100	85	72		1,612,365	2,762	1,615,127	25,767,680	6.27	34,770,505	209,180,370	243,950,875
Washington.....	418	39	39	67	10,413,076	669,324	3,469	11,085,869	42,775,040	25.92	8,627,433	163,999,367	172,626,800
West Virginia.....	152	55	45	63		905,223	556	905,779	15,374,080	5.89	7,337,234	63,159,033	70,496,267
Wisconsin.....	320	71	67	105	14,960	1,479,518	2,581	1,497,059	35,363,840	4.23	9,060,711	46,775,683	55,836,394
Wyoming.....	202	23	23	35	28,219,256	319,226	1,112	28,539,594	62,430,720	45.71	1,761,657	55,005,491	56,767,148
Total.....	14,338	3,071			334,987,431	33,760,106	68,752	368,816,289	1,903,221,280	19.38	\$691,524,231	\$4,409,771,729	\$5,101,295,960

¹Federal Works Agency computations.²Does not include cost of public domain.

LAND ACQUISITION BY FUNCTION

The following computations, compiled by the Federal Works Agency, show that as of June 30, 1940, most of the Federal land was

in use for forest conservation, grazing, control of public lands, and national parks. Comparatively high costs are noted for that land in use for postal services, flood control,

national defense, land reclamation, and forest conservation. These costs, it must be borne in mind, include the purchase of land and consequent improvements, but do not include the original cost of public domain.

TABLE IV.—Land acquisition by function as of June 30, 1940¹

Agency	Use of real estate	Cost	Acres
1. Forest Service.....	Conservation of forests.....	\$330,890,702	154,817,243
2. Grazing Service.....	Grazing.....	4,078,970	138,712,582
3. General Land Office.....	Control of public lands.....		44,667,839
4. National Park Service.....	Conservation of scenic resources.....	134,718,301	14,087,831
5. Fish and Wildlife Service.....	Conservation of fish and bird life.....	31,899,652	4,243,466
6. Soil Conservation Service.....	Conservation of soil.....	54,704,419	3,443,211
7. Quartermaster Corps.....	National defense.....	603,366,895	2,116,862
8. Corps of Engineers.....	Flood control and water commerce.....	624,980,993	1,730,142
9. Bureau of Reclamation.....	Land reclamation.....	477,405,271	1,650,582
10. Indian Affairs.....	Care of Indians.....	27,160,137	1,288,177
11. Tennessee Valley Authority.....	River control and power development.....	309,197,640	628,504
12. Farm Security Administration.....	Rural resettlement.....	115,426,851	568,107
13. Yards and Docks.....	National defense.....	513,741,255	499,961
14. Animal Industry.....	Experiments and tests.....	2,001,761	105,009
15. Veterans' Administration.....	Care of veterans.....	207,483,758	64,151
16. Boundary Commission, United States and Mexico.....	River control.....	11,600,667	35,432
17. Civil Aeronautics Board.....	Air commerce.....	7,135,613	31,117
18. Coast Guard.....	Protection of water commerce.....	43,209,026	29,962
19. Prisons.....	Care of prisoners.....	41,070,901	25,516
20. Public Health Service.....	Protection of public health.....	45,569,115	14,925
21. National Capital Parks.....	Conservation of scenic resources.....	63,442,721	12,679
22. Mines.....	Experiments and tests.....	3,312,878	12,410
23. Plant Industry.....	do.....	3,938,276	10,556
24. Office of the Secretary of Agriculture.....	do.....	9,893,564	10,223

¹Federal Works Agency computations.

TABLE IV.—Land acquisition by function as of June 30, 1940—Continued

Agency	Use of real estate	Cost	Acres
25. Post Office	Postal Service	\$638,816,802	1,896
26. Surplus property (Public Building)	Surplus property	20,169,995	1,399
27. Public Works Administration	Prison	1,429,128	976
28. U. S. Housing Authority	Housing	120,292,091	933
29. U. S. Maritime Commission	Water commerce	51,015,926	897
30. St. Elizabeths Hospital	Care of the insane	9,630,220	829
31. Dairy Industry	Experiments and tests	117,125	649
32. Public Buildings Administration	Miscellaneous buildings	298,355,636	567
33. Inland Waterways Corporation	Water commerce	2,352,365	535
34. U. S. Soldiers' Home	Care of veterans	5,801,178	500
35. Standards	Experiments and tests	4,297,719	254
36. Architect of the Capitol	Enactment of legislation	94,244,335	203
37. Smithsonian Institution	Education and recreation	9,043,741	193
38. Coast and Geodetic Survey	Surveys and maps	35,600	178
39. Alley Dwelling Authority	Housing	3,723,884	150
40. Agricultural Chemistry and Engineering	Experiments and tests	8,678,862	139
41. Mint	Production of money	9,792,660	124
42. Weather Bureau	Weather forecasts	927,197	117
43. Public Roads Administration	Highway commerce	2,615,796	111
44. Columbia Institution for the Deaf	Care of the deaf	846,500	103
45. Federal Communications Commission	Communication by wire and air	65,780	61
46. Immigration and Naturalization	Care of aliens	8,568,502	60
47. National Advisory Committee for Aeronautics	Experiments and tests	7,870,000	39
48. Geological Survey	Surveys and maps	171,065	25
49. U. S. Housing Corporation	Housing		24
50. Customs	Collection of revenue	121,277	12
51. Engraving and Printing	Production of money	8,988,692	12
52. Freedmen's Hospital	Care of the sick	1,975,162	11
53. Federal Reserve Board	Administration of Federal affairs	4,539,041	5
54. Entomology and Plant Quarantine	Experiments and tests	614,592	6
55. Government Printing Office	Printed matter	11,948,736	5
56. Procurement	Administration of Federal affairs	653,843	4
57. Red Cross	Care of the distressed	2,527,668	4
58. Home Owners' Loan Corporation	Administration of Federal affairs	2,700,878	1
59. Boundary Commission, United States and Canada	Boundary markers	104,198	
Total		5,101,295,960	368,816,289

LAND ACQUISITION AND PROPOSED PURCHASE BY AGENCY

Considerable land is in the process of condemnation with some pending direct purchase. As of January 31, 1943, the total amounts follow:

TABLE V.—Total acres pending condemnation and direct purchase as of Jan. 31, 1943¹

Department or agency	Acres pending condemnation	Acres pending direct purchase	Total acres
Department of Agriculture	200,728.62	\$27,804.30	528,532.92
District of Columbia	35.11		35.11
National Housing Agency	23,897.65		23,897.65
Department of the Interior	118,239.78	39,486.00	157,725.78
U. S. Maritime Commission	632.41	2.67	635.08
Navy Department	787,009.61	11,588.98	799,198.59
Reconstruction Finance Corporation	5,659.56		5,659.56
Department of State	282.39		282.06
Treasury Department	33.09	4.67	33.09
War Department	16,203,041.38	506,143.73	16,769,185.11
War Shipping Board	126.00		126.00
Department of Justice		85.00	85.00
Veterans' Administration		557.61	557.61
Department of Commerce	13.29	34.74	48.03
Federal Works Agency	19,638.813	764.61	20,403.423
Total	17,360,237.703	946,472.31	18,306,710.013

¹ Based on Department of Justice computations.

Of these 18,000,000 acres approximately 10,500,000 acres have been in the public domain. Almost all of this land is desired by the War Department, with the Navy Department and a few other agencies seeking a minor portion.

Somewhat similar material has been compiled by the Bureau of the Budget. Including both present acquisitions and proposed purchases, the tabulation indicates that the War Department expects to acquire by far

the most land, with the Navy Department, the Department of Agriculture, the Department of the Interior, and the Reconstruction Finance Corporation following in the order named.

TABLE VI.—Report of land purchases and proposed purchases (including condemnations), by agency, Jan. 1, 1942, to June 30, 1944¹

[Based on reports submitted by agencies concerned]

Department or establishment	Purchases Jan. 1 to Dec. 31, 1942		Proposed purchases Jan. 1 to June 30, 1943		Proposed purchases July 1, 1943, to June 30, 1944	
	Acres	Cost	Acres	Cost	Acres	Cost
Department of Agriculture:						
Farm Security Administration	97,284	\$316,000	39,025	\$313,000	4,000	\$80,000
Forest Service	309,205	1,367,000	143,447	504,000	28,683	295,000
Bureau of Plant Industry	27	6,000				
Special research fund	1,521	10,000				
Soil Conservation Service, submarginal agricultural lands	277,237	1,185,000				
Total, Department of Agriculture	685,334	2,884,000	182,472	817,000	92,683	375,000
Department of Commerce: Civil Aeronautics Administration	10	(²)	45	5,000		

¹ Bureau of the Budget computation.

² Less than \$500.

TABLE VI.—Report of land purchases and proposed purchases (including condemnations), by agency, Jan. 1, 1942, to June 30, 1944—Con.

[Based on reports submitted by agencies concerned]

Department or establishment	Purchases Jan. 1 to Dec. 31, 1942		Proposed purchases Jan. 1 to June 30, 1943		Proposed purchases July 1, 1943, to June 30, 1944	
	Acres	Cost	Acres	Cost	Acres	Cost
Department of the Interior:						
Bonneville Power Administration.....	400	\$110,000	56	\$34,000	63	\$12,000
Bureau of Indian Affairs:						
Tribal funds.....	63,960	354,000	9,145	95,000	103,569	506,000
Other.....	50,406	303,000	16,037	129,000	35,951	271,000
Bureau of Reclamation.....	24,358	677,000	31,825	1,243,000	33,137	1,091,000
Bureau of Mines.....	4,011	5,000	6,193	25,000	61	31,000
National Park Service.....	3,801	169,000	4,392	261,000		
Fish and Wildlife Service.....	22,338	183,000	33,007	93,000	37,033	186,000
Puerto Rico Reconstruction Administration.....	406	7,000				
Total, Department of the Interior.....	169,770	1,898,000	100,655	1,880,000	209,814	2,097,000
Department of Justice: Bureau of Prisons.....	80	1,000				
Navy Department:						
Bureau of Yards and Docks.....	592,756	² 63,883,000	296,230	² 25,130,000		
Coast Guard.....	62	² 2,554,000	80	3,000		
Total, Navy Department.....	592,818	66,437,000	296,310	25,133,000		
Department of State: International Boundary Commission, United States and Mexico.....	1,228	29,000			74	5,000
War Department: Real Estate Branch for War Department.....	3,064,663	164,618,000	767,972	41,844,000	323,220	43,567,000
District of Columbia.....	7	98,000	16	144,000		
The Alley Dwelling Authority.....	473	713,000				
Federal Communications Commission.....	140	14,000	⁴ 30	⁴ 6,000		
Federal Works Agency:						
Office of Administrator.....	621	754,000				
Public Roads Administration.....	624	3,593,000				
Total, Federal Works Agency.....	1,245	4,347,000				
National Capital Park and Planning Commission.....	76	759,000	1,161	998,000	287	346,000
National Housing Agency: Federal Public Housing Authority.....	25,860	11,154,000	5,486	2,443,000	⁴ 6,948	⁴ 3,282,000
Reconstruction Finance Corporation:						
Defense Plant Corporation.....	73,921	² 49,063,000	7,701	² 13,516,000		
Metals Reserve Company.....	243	7,000				
RFC Mortgage Company.....	1	209,000				
Total, Reconstruction Finance Corporation and subsidiaries.....	74,165	49,279,000	7,701	13,516,000		
Tennessee Valley Authority.....	134,993	15,207,000	90,148	4,916,000	90,544	3,722,000
U. S. Maritime Commission.....	1,507	5,665,000	⁴ 1,189	948,000		
U. S. Veterans' Administration.....			557	116,000		
War Shipping Administration.....	290	4,325,000	17	103,000		
Total.....	4,752,659	327,428,000	1,453,759	92,869,000	723,570	53,394,000

¹ Includes improvements in cases where land improvements were purchased as a unit.² This purchase depends on authority now pending in Congress.³ Estimates are only to Dec. 31, 1943.⁴ Includes 827 acres the cost of which is undeterminable at this time due to incomplete detailed reports.LAND ACQUISITION AND PROPOSED PURCHASE
BY STATES

According to Bureau of the Budget figures,

much of this acquisition has been and will be found in the States of Texas, California, South Dakota, Florida, Oklahoma, Idaho,

Tennessee, New Mexico, Colorado, Arkansas, Georgia, Louisiana, Mississippi, North Carolina, and Oregon. The list follows:

TABLE VII.—Report of land purchases and proposed purchases (including condemnations), by State, Jan. 1, 1942, to June 30, 1944¹

[Based on reports submitted by agencies concerned]

Location	Purchases Jan. 1 to Dec. 31, 1942		Proposed purchases Jan. 1 to June 30, 1943		Proposed purchases July 1, 1943, to June 30, 1944	
	Acres	Cost	Acres	Cost	Acres	Cost
Alabama.....	73,147	\$4,796,000	² 10,354	\$548,000	6,702	\$153,000
Arizona.....	57,338	483,000	10,102	104,000	9,559	144,000
Arkansas.....	118,952	4,517,000	48,386	847,000	19,100	355,000
California.....	489,588	33,980,000	² 34,197	9,666,000	17,673	979,000
Colorado.....	130,316	3,449,000	4,412	255,000	14,514	318,000
Connecticut.....	2,084	7,269,000	153	141,000	90	61,000
Delaware.....	2,731	343,000	200	80,000	80	32,000
District of Columbia.....	182	1,888,000	64	406,000	49	216,000
Florida.....	279,283	8,056,000	20,071	286,000	9,181	29,000
Georgia.....	154,112	7,934,000	27,887	108,000	7,144	28,000
Idaho.....	91,027	510,000	175,009	128,000	10,095	159,000
Illinois.....	41,682	11,725,000	2,151	1,519,000	1,346	98,000
Indiana.....	111,286	12,140,000	8,393	699,000	5,654	74,000
Iowa.....	12,588	1,125,000	1,784	190,000	1,200	68,000
Kansas.....	102,866	7,453,000	5,053	348,000	457	41,000
Kentucky.....	56,002	5,234,000	46,950	2,201,000	26,466	1,722,000
Louisiana.....	169,752	4,334,000	66,367	520,000	3,260	174,000
Maine.....	7,652	1,535,000	2,571	540,000	72	17,000
Maryland.....	16,095	5,289,000	3,193	2,336,000	450	203,000
Massachusetts.....	10,936	5,291,000	3,346	1,009,000	2,182	29,000
Michigan.....	39,599	6,249,000	10,951	3,001,000	16,495	122,000
Minnesota.....	26,725	254,000	13,991	539,000	38,641	685,000
Mississippi.....	171,268	5,521,000	25,638	594,000	5,196	95,000
Missouri.....	85,470	4,091,000	23,630	664,000	22,484	497,000
Montana.....	75,732	821,000	20,215	165,000	6,412	95,000
Nebraska.....	93,067	5,470,000	193	121,000	120	8,000
Nevada.....	32,044	684,000	7,279	187,000	3,828	196,000
New Hampshire.....	2,569	901,000	2,157	189,000	40	12,000

See footnotes at end of table.

TABLE VII.—Report of land purchases and proposed purchases (including condemnations), by State, Jan. 1, 1942, to June 30, 1944—Con.
[Based on reports submitted by agencies concerned]

Location	Purchases Jan. 1 to Dec. 31, 1942		Proposed purchases Jan. 1 to June 30, 1943		Proposed purchases July 1, 1943, to June 30, 1944	
	Acres	Cost	Acres	Cost	Acres	Cost
New Jersey.....	20,811	\$10,950,000	245	\$1,528,000	120	\$120,000
New Mexico.....	134,042	792,000	5,254	95,000	10,224	47,000
New York.....	22,447	40,170,000	3,577	3,264,000	4,638	997,000
North Carolina.....	169,508	5,074,000	46,903	1,903,000	42,042	1,269,000
North Dakota.....	38,597	213,000	22,431	140,000	12,018	93,000
Ohio.....	41,043	8,424,000	25,450	2,789,000	38,246	3,049,000
Oklahoma.....	226,445	4,609,000	68,986	1,694,000	28,788	927,000
Oregon.....	165,498	8,824,000	1,595	362,000	6,563	245,000
Pennsylvania.....	28,863	13,113,000	16,255	5,343,000	12,180	2,525,000
Rhode Island.....	3,780	1,231,000	1,673	1,056,000	40	16,000
South Carolina.....	30,278	2,229,000	2,241	46,000	745	92,000
South Dakota.....	289,096	2,730,000	3,035	31,000	12,934	138,000
Tennessee.....	256,314	22,485,000	132,169	7,390,000	62,187	2,853,000
Texas.....	550,483	23,113,000	150,777	1,586,000	14,328	226,000
Utah.....	85,781	2,728,000	8,918	88,000	9,550	125,000
Vermont.....	782	18,000	257	11,000	1,642	44,000
Virginia.....	33,800	12,109,000	74,745	7,454,000	10,246	253,000
Washington.....	59,527	11,682,000	7,752	1,018,000	12,722	485,000
West Virginia.....	2,014	334,000	1,127	2,350,000	7,981	2,419,000
Wisconsin.....	51,894	3,138,000	6,081	651,000	5,275	49,000
Wyoming.....	66,713	458,000	6,741	90,000	50,156	249,000
Alaska.....	38	9,000				
Hawaii.....	30	6,000	4,085	1,467,000		
Puerto Rico.....	20,566	1,506,000	1,195	122,000		
Samoa.....	33	53,000				
Virgin Islands.....	93	88,000				
Location undeterminable.....			387,600	25,000,000	142,345	30,663,000
Total.....	4,752,659	327,428,000	1,453,759	92,869,000	723,570	53,394,000

¹ Bureau of the Budget computations.

² Includes proposed purchases by the U. S. Maritime Commission of 150 acres in Alabama, 400 acres in California, and 277 acres in Texas, for which it is not considered practicable to make an estimate of cost at this time.

LAND ACQUISITION AND PROPOSED PURCHASE, BY FUNCTION

From a recent survey by the Bureau of the Budget, it is apparent that three-quarters of all land purchases from January 1 to December 31, 1942, has been for war purposes. Most of the remainder is for submarginal ag-

ricultural lands, forest lands, rivers, harbors, and flood control. Ostensibly, in the period between January 1 and June 30, 1943, war activities will approximate half of the land purchase and rivers, harbors, and flood control about a quarter. During the present fiscal year between July 1, 1943, and June 30,

1944, substantial land acquisitions are envisioned for rivers and harbors and control of floods while the war program and Indian lands acquisition will be much lower. Following is a table of land acquisitions—purchased and pending—by function:

TABLE VIII.—Report of land purchases and proposed purchases (including condemnations), by function, Jan. 1, 1942, to June 30, 1944¹
[Based on reports submitted by agencies concerned]

Purposes	Purchases, Jan. 1 to Dec. 31, 1942		Proposed purchases, Jan. 1 to June 30, 1943		Proposed purchases, July 1 1943, to June 30, 1944	
	Acres	Cost	Acres	Cost	Acres	Cost
Incident to administrative functions.....	7,277	\$424,000	8,435	\$431,000	5,756	\$243,000
Wildlife refuges.....	22,338	183,000	33,007	93,000	37,033	180,000
National parks, parkways, etc.....	3,884	1,026,000	5,569	1,403,000	287	346,000
Submarginal agricultural lands.....	205,773	1,367,000				
War housing.....	26,333	11,867,000	5,486	2,443,000	6,948	3,282,000
Indian lands.....	114,366	747,000	25,182	224,000	139,520	777,000
Resettlement farms and suburban communities.....	1,308	61,000	275	3,000	2,800	40,000
Forest lands, forestation, etc.....	309,205	1,367,000	143,447	504,000	88,683	295,000
Dam sites and reservoirs for power and flood-control projects.....	127,306	14,507,000	84,719	4,466,000	77,832	3,190,000
Substations and rights-of-way for transmission lines.....	7,124	254,000	3,875	205,000	7,080	332,000
Reclamation projects.....	91,858	750,000	70,575	1,553,000	34,337	1,131,000
War activities.....	3,543,905	285,559,000	2,692,817	64,700,000	142,345	30,663,000
Rivers and harbors and flood control.....	191,882	8,916,000	380,372	16,844,000	180,949	12,909,000
Total.....	4,752,659	327,428,000	1,453,759	92,869,000	723,570	53,394,000

¹ Bureau of the Budget computations.

² Includes \$27 acres the cost of which is undeterminable at this time due to incomplete detailed reports.

LAND IN USE FOR WAR PURPOSES

The total land in use for war purposes as of March 30, 1943, is 43,181,183 acres. Almost all of this is being used by the War Department, as the following table makes clear:

TABLE IX.—Summary statement of land in use for war purposes as of Mar. 30, 1943¹

Agency	Title or possession acquired by Justice					Withdrawn from public domain and transferred by Interior	Special-use permits issued by Interior	Transferred by Agriculture	Total	
	Completed (since July 1, 1938)		Pending for final settlement							
(1)	(2)		(3)	(4)	(5)	(6)	(7)			
	Acres	Parcels ²	Acres	Parcels				Acres	Parcels	
Commerce Department.....					26,167			26,167.00		
Federal Public Housing.....	2,484.63	386	27,191.97	6,063				29,676.60	6,449	
Federal Works Agency.....	20,375.41	1,064	19,718.52	2,131				40,093.93	3,195	
Maritime Commission.....	73.62	100	932.41	563				1,005.43	663	
Navy Department.....	114,188.54	819	768,349.42	880	27,304		39,530.00	849,371.96	1,699	
Reconstruction Finance Corporation.....	46.03	26	9,237.55	370				17,527.58	396	
War Department.....	2,967,650.87	6,090	6,234,863.03	2,376	10,480,588	3,720,712	17,313,483	1,381,178.82	42,098,475.72	
War Relocation Authority.....						18,865			18,865.00	
Grand total.....	3,104,818.50	8,485	7,060,292.90	12,383	10,507,892	3,773,988	17,313,483	1,420,708.82	43,181,183.22	
									20,898	

¹ Department of Justice computations.

² The item, "Parcels," represents those small areas described only as city lots or a certain number of square feet on which the actual acreage is unknown.

³ The total of columns 3 and 4 (14,281,880 acres) represents the entire area withdrawn from the public domain for war purposes, while column 3 (10,507,892 acres) represents only that portion of the land withdrawn on which the Department of Justice has instituted condemnation proceedings for the elimination of outstanding private interests.

NOTE.—This does not include 582,342 acres withdrawn from the public domain for the use of the Department of the Interior in connection with the production of platinum, copper, helium, magnesite, etc.

Land acquired or in use for war purposes from July 1, 1938, to March 30, 1943, inclusive of areas of public lands the use of which is permitted, by order of the Secretary of the Interior (in the total amount of 17,313,483 acres) is 43,181,183.22 acres, or 67,470 square miles.

Continental United States consists of 2,977,123 square miles, not including water area. The area acquired or in use for war-training purposes is therefore 2.26 percent of the total area. To visualize more clearly the extent of this area, it comprises the States of Connecticut, Delaware, Maryland, Massachusetts, New Hampshire, New Jersey, Rhode Island, Vermont, and one-half of Maine. (Department of Justice computation).

From the previous table it will be seen that 93 percent, or 42,098,475 acres of the total land acquired for war purposes has been purchased by the War Department and almost all of the remainder, or 949,371 acres, has been acquired by the Navy Department.

Of the total acquisitions for war purposes somewhat over 3,000,000 acres have had title pass to the Government; somewhat over 7,000,000 acres of private land are pending settlement. The rest is in the public domain or has been transferred or had special-use permits issued for its acquisition from other departments of the Government.

In addition a total of 20,868 parcels of land—such as city lots, buildings, etc.—have been acquired or are pending acquisition.

PUBLIC LAND WITHDRAWN IN CONNECTION WITH NATIONAL EMERGENCY

As of March 5, 1943, a total of 14,864,222 acres of land has been withdrawn from the public domain for war purposes. Of this, 13,364,222 acres are of published public record. Nevada, Arizona, Alaska, Utah, New Mexico, and California comprise the States and Territory from which most of this land has been taken.

The following tables make this clear:

TABLE X.—*Recapitulation, by States, of acreage of public lands withdrawn in connection with the national emergency¹ as of Mar. 5, 1943*

	Total area in acres within withdrawal boundaries
Arizona:	
War Department.....	2,109,057
Defense Plant Corporation.....	898
Interior Department.....	5,120
Total.....	2,115,075
California:	
War Department.....	950,079
Navy Department.....	4,635
Commerce Department.....	60
Defense Plant Corporation.....	7,346
Interior Department.....	7,280
Total.....	969,400
Colorado:	
War Department.....	262
Interior Department.....	115,011
Total.....	115,273

	Total area in acres within withdrawal boundaries
Florida:	
War Department.....	2,340
Navy Department.....	(²)
Total.....	2,340
Idaho:	
War Department.....	22,885
Interior Department.....	(²)
Total.....	22,885
Mississippi: War Department.....	40
Montana: War Department.....	11,284
New Mexico:	
War Department.....	1,284,660
Interior Department.....	20
Total.....	1,284,680
Oklahoma: War Department.....	10
Nevada:	
War Department.....	4,037,654
Navy Department.....	20
Commerce Department.....	42
Interior Department.....	387,036
Total.....	4,424,752
Oregon:	
War Department.....	151,713
Commerce Department.....	60
Total.....	151,773
South Dakota: War Department.....	11,177
Utah:	
War Department.....	1,994,445
War Relocation Authority.....	18,865
Commerce Department.....	418
Interior Department.....	6,793
Total.....	2,020,521
Washington:	
War Department.....	109,125
Navy Department.....	513
Total.....	109,638
Wisconsin: War Department.....	40
Wyoming:	
War Department.....	1,240
Interior Department.....	61,082
Total.....	62,322
Alaska:	
War Department.....	2,015,289
Navy Department.....	22,136
Commerce Department.....	25,587
Total.....	2,063,012
Grand total.....	13,364,222
Unpublished acres withdrawn.....	1,500,000
Grand total.....	14,864,222
¹ Department of Justice computation. See the following table:	
Connecticut, square miles (land areas).....	4,899

Delaware, square miles (land areas).....	1,978
Maryland, square miles (land areas).....	9,887
Massachusetts, square miles (land areas).....	7,907
New Hampshire, square miles (land areas).....	9,024
New Jersey, square miles (land areas).....	7,532
Rhode Island, square miles (land areas).....	1,053
Vermont, square miles (land areas).....	9,278
One-half of Maine, square miles (land areas).....	15,520
Total.....	67,073

² Indeterminate.

The War Department is responsible for most of this use, there being just six departments and agencies to which transfers of land in the public domain have been made.

TABLE X (continued).—*Recapitulation by agency area of public lands withdrawn in connection with the national emergency¹ as of Mar. 5, 1943*

	Total area in acres within withdrawal boundaries
Agency:	
War Department.....	12,701,300
Navy Department.....	27,304
Defense Plant Corporation.....	8,244
War Relocation Authority.....	18,865
Commerce Department.....	26,167
Interior Department.....	582,342
Unpublished acres withdrawn.....	1,500,000
Grand total.....	14,864,222

¹ Department of Justice computation.

WAR DEPARTMENT LAND ACQUISITIONS

Since July 1, 1938, according to Department of Justice computations, the War Department has purchased, secured through donation, exchange, or condemnation a total of 2,847,650.87 acres of land. Translated into comprehensible figures, this amounts to an area over four times the size of Rhode Island. In addition to this, the total acreage acquisition pending under present condemnation or direct purchase proceedings amounts to 16,835,451.03 acres. Consequently, when this land is added to that previously secured the War Department will find itself with 19,683,101.90 acres on its hands. This encompasses an area larger than New Hampshire, Connecticut, Massachusetts, Rhode Island, and New Jersey combined. This total, it must be borne in mind, includes large areas transferred to the War Department from the public domain.

Not included in this is a total of 6,090 "parcels" of land—so designated because they include small items, such as city lots. The actual acreage of these plots is not given. A total of 2,376 such parcels are pending, bringing the number of parcels acquired or pending to 8,466.

The following table indicates the ever-increasing amount of land acquired by the War Department in the last 5 years:

TABLE XI.—*Land acquired or pending by the War Department, 1939-43¹*

Fiscal year	Acres	Cost of acres	Parcels	Cost of parcels	Cost of acres and parcels
1939.....	187,966.82	\$4,730,046.31	311	\$647,677.70	\$5,377,724.01
1940.....	190,168.60	5,870,703.95	151	433,534.56	6,304,238.51
1941.....	582,173.06	31,308,265.30	293	2,151,761.00	33,460,026.30
1942.....	931,256.83	48,429,598.80	2,912	109,939,347.46	158,368,946.26
1943 ²	956,085.56	76,331,908.66	2,273	9,410,333.57	85,742,242.23
Total.....	2,847,650.87	166,670,523.02	5,940	122,582,654.29	289,253,177.31
Pending and purchased Jan. 30 to Mar. 30, 1943.....	16,835,451.03	(³)	2,526	(³)	(³)
Grand total.....	19,683,101.90	-----	8,466	-----	-----

¹ Department of Justice computations.

² As of Jan. 30, 1943.

³ Not available.

From this it will be seen that from about 187,000 acres closed in fiscal year 1939 the land acquisitions by the War Department have increased fivefold until in 7 months of the fiscal year 1943 the total rose to 956,000 acres. In 1939 the total cost was \$5,377,724. This rose to \$158,368,946 in 1942 and attained in the first 7 months of fiscal year 1943 a comparable total of \$85,742,242.

Although estimates of future expenditures are at best but conjectures, the estimates for future acquisitions—that is, those matters pending condemnation or direct purchase—run into large figures. An estimate based on recent average costs indicates that future acquisitions, already proposed, will cost over one-half billion dollars.

Figures supplied by the War Department itself are for the fiscal years 1941, 1942, and the first 6 months of fiscal year 1943. Variations from Department of Justice figures (see appendix, table B) may be accounted for in some manner by difference in date of compilations in regard to approving purchases. These indicate that of about 18,845,230 acres of land authorized in this period, 17,308,636 acres have been acquired or are pending possession.

TABLE XII.—Acquisitions of land¹

Acres authorized.....	18,845,230.44
Acres optioned, 1941-43.....	2,041,519.90
Acres condemned (declaration of taking).....	2,223,415.48
Acres condemned (War Powers Act).....	1,391,694.60

TABLE XIII.—Report of land purchases and proposed purchases (including condemnations) for building sites, by States, Jan. 1, 1942, to June 30, 1943¹

[Based on reports submitted by agencies concerned]

Location	Purchases Jan. 1 to Dec. 31, 1942		Proposed purchases Jan. 1 to June 30, 1943	
	Square feet	Cost	Square feet	Cost
Alabama.....	42,261,200	\$278,000		
Arkansas.....	147,233	143,000		
California.....	16,170,114	988,000		
Colorado.....	1,742,400	19,000		
Connecticut.....	3,466,069	190,000	675,180	\$66,000
District of Columbia.....	553,220	1,079,000	63,283	126,000
Florida.....			1,182,560	5,000
Illinois.....	10,993,531	2,988,000		
Indiana.....	6,610,230	87,000		
Kentucky.....	4,967,582	57,000		
Maine.....			370,260	1,000
Maryland.....	6,887,707	239,000		
Massachusetts.....	12,459,752	187,000	1,534,083	125,000
Michigan.....	1,596,675	62,000	261,300	5,000
Mississippi.....	6,572,333	47,000		
Missouri.....	174,240	108,000		
Montana.....	26,000	5,000		
New Jersey.....	2,128,472	691,000		
New Mexico.....	187,308	1,000	875,368	7,000
New York.....	7,031,417	948,000		
North Carolina.....	53,300	275,000	97,051	25,000
Ohio.....	4,519,624	32,000		
Oregon.....			20,909	(^c)
Pennsylvania.....	626,803	213,000		
South Carolina.....			200,000	5,000
Texas.....	11,664,061	192,000	126,324	(^c)
Vermont.....			27,442	15,000
Virginia.....	4,323,578	341,000	87,120	16,000
Washington.....			601,781	43,000
West Virginia.....	289,497,582	713,000		
Wisconsin.....	6,805,379	486,000	100,000	3,000
Wyoming.....			48,787	8,000
Total.....	441,465,810	10,366,000	6,271,518	450,000

¹ Bureau of the Budget computations.

^c Less than \$500.

Acres transferred or donated... 10,918,532.78
Granted by right of entry..... 733,473.67

Total acreage..... 17,308,636.43

¹ War Department compilations. Includes pending projects, partial possession projects, total possession projects, completed projects.

As of October 1943, the emergency construction, real-estate acquisitions, and maintenance program of the Army of the United States represented an outlay of about \$11,000,000,000. Since June 1940, nearly 15,000 separate construction projects have been undertaken of which over 13,500 are now in use. Real estate, purchased or leased for war purposes, has cost about \$370,000,000. Posts, camps, and stations occupy an area of 14,500 square miles—equivalent to the combined areas of Massachusetts, Rhode Island, and Connecticut. Floor space in buildings constructed since June 1940 totals 1,800,000,000 square feet.

NAVY DEPARTMENT LAND ACQUISITIONS

Land purchased by the Navy Department, according to figures submitted by the Navy Department, totals 908,573 acres during the period July 1, 1940, and April 30, 1943. The actual total cost of these purchases cannot be estimated, because 9,241 of the 19,104 tracts are as yet open, full payment not having been completed. However, the total cost of this acquisition to date is \$115,719,655.82.

The Federal Works Agency reports the Navy Department as having a total acreage as of June 30, 1940, of 499,961 acres, costing \$513,-

741,255. Consequently, the total acreage, with improvements, owned by the Navy Department is 1,408,534, and has cost to date \$629,460,910.

In addition to the above, the Navy Department stated that it has leased 3,073,969 acres since July 1, 1942, at a cost of \$727,594.55, plus damages paid amounting to \$182,839.79. Space rented in buildings amounts to 4,639,901 square feet, for a cost of \$5,576,647.39. Quarters rented on a per-person basis amount to \$1,004,839.12.

OTHER LAND ACQUISITIONS

According to figures submitted to the committee, the Federal Works Agency has purchased 27,064.33 acres, at a cost of \$7,128,587, in the period from January 1, 1942, to December 31, 1942. The majority of this land was purchased for "war public works" projects, although some was purchased for access roads and flight strips. There were 61 of these purchases, 10 being specifically labeled as building sites.

Acquisition of land by the National Housing Administration between February 24, 1943, and March 1, 1943, indicates a total of 36,743 acres, at an estimated cost of \$12,535,278.

BUILDING SITES ACQUIRED AND PROPOSED, BY STATES

Large purchases and pending acquisitions for building sites are found principally in West Virginia, although the largest costs have been or will be divided among Illinois, Massachusetts, Florida, and the District of Columbia.

BUILDING SITES ACQUIRED AND PROPOSED BY AGENCY

In this respect, as might be expected, the War Department is by far the largest dealer in real estate, with the Federal Works Agency and the Navy Department procuring most of the remainder:

TABLE XIV.—Report of land purchases and proposed purchases (including condemnations) for building sites, by agency, Jan. 1, 1942, to June 30, 1943¹

[Based on reports submitted by agencies concerned]

Department or establishment	Purchases, Jan. 1 to Dec. 31, 1942		Proposed purchases, Jan. 1 to June 30, 1943	
	Square feet	Cost	Square feet	Cost
Department of Agriculture: Forest Service.....	26,000	\$5,000		
Department of Commerce: National Bureau of Standards.....	3,510	1,000		
Department of the Interior: Bureau of Mines.....			440,827	\$48,000
Department of Justice: Immigration and Naturalization Service.....	217,800	5,000		
Navy Department: Coast Guard.....	3,591,093	551,000	5,767,408	276,000
War Department: Real Estate Branch.....	429,659,231	6,085,000		
District of Columbia.....	419,822	208,000	63,283	126,000
Federal Works Agency: Public Buildings Administration.....	7,357,558	2,782,000		
Reconstruction Finance Corporation.....	8,154	98,000		
Metals Reserve Company.....	157,140	425,000		
RFC Mortgage Company.....	25,502	206,000		
Total, Reconstruction Finance Corporation and subsidiaries.....	190,796	729,000		
Total.....	441,465,810	10,366,000	6,271,518	450,000

¹ Bureau of the Budget computations.

HOTELS PURCHASED

The War and Navy Departments have purchased 14 hotels at an estimated cost of about \$15,000,000 during the present emergency. The War Department has purchased 12 of these, containing 6,943 rooms, at a purchase price (or an appraised price) of \$13,000,000 for 10 of these. Following is the list:

TABLE XV.—Hotels purchased by War Department

	Rooms	Purchase or appraised price ¹
Stevens, Chicago.....	3,300	\$5,528,101
Miami-Biltmore, Miami Beach.....	400	895,000
Nautilus, Miami Beach.....	200	600,000
Don-Ce-Sar, St. Petersburg.....	263	440,000
El Mirado, Palm Springs, Calif.....	150	425,000
Greenbrier, White Sulphur Springs, W. Va.....	700	3,300,000
Forest Hills, Augusta, Ga.....	300	1,400,000
Eastman, Hot Springs.....	500	510,000
Chicago Beach, Chicago, Ill.....	600	1,900,000
Shark River, Neptune, N. J.....	47	30,510
Vista-del-Arroyo, Pasadena, Calif.....	409	(²)
Casa Loma, Coral Gables, Fla.....	74	(²)
Total.....	6,943	\$13,028,611

¹ Appraised value.

² Filed condemnation and occupancy proceedings. Deposit \$450,000 with declaration of taking.

³ Negotiation being made for lease.

⁴ Does not include last 2 items.

The Stevens Hotel in Chicago was purchased by the War Department in December 1942 for \$5,528,101. At that time the committee protested against the unnecessary cost to the Government of the purchase. Later, in September 1943, the hotel was sold for \$5,251,000. The committee believe that purchases of hotels should not be countenanced until all other methods of acquisition of property are exhausted, since such purchases may frequently be financially unsound as well as dangerous to the economic stability of the communities involved.

The Navy Department has purchased two hotels: The Norconian, Norco, Calif, \$850,000, and the Chamberlin, Old Point Comfort, Va., \$500,000, for a total of \$1,350,000.

In addition, the Federal Public Housing Agency has acquired fee simple title to one hotel, the Three Toms Tavern, Thomasville, Ga., at a price of \$75,000. The hotel has accommodations for 130 guests and will be expanded to accommodate 250. The original cost was \$284,000; Government appraisals averaged \$166,000.

LXXXIX—609

HOTELS AND COTTAGES LEASED

The War Department has been paying \$11.-249,011 annual rental for 545 hotels and

cottages containing over 43,088 rooms with a capacity for over 128,917 men. The following table indicates these acquisitions by cities:

TABLE XVI.—Hotels leased by War Department

Place	Number hotels	Number rooms	Capacity	Annual rent	Appraised value
Atlantic City.....	47	10,680	31,285	\$4,125,692	\$36,407,950
St. Petersburg.....	85	6,236	15,413	891,604	7,042,480
Daytona Beach.....	47	2,092	5,320	311,620	3,111,200
Miami Beach.....	347	23,460	74,976	5,743,495	49,149,509
Camden, S. C.....	1			33,600	(¹)
Seattle, Wash.....	3	1,424	1,654		
Grand Rapids.....	2				
Wildwood, N. J.....	1			6,500	
Boston.....	1				
Des Moines.....	3	684	2,143	135,000	1,043,600
Bradley Beach.....	1				
Portland, Maine.....	1				
Harrisburg.....	1				
Tocoa, Ga.....	1			1,500	(¹)
Chicago.....	1				
Soda Springs, Calif.....	1		114	(²)	
Oakland, Calif.....	1	410	877	(²)	
Kansas City, Mo.....	1	75	205	(²)	
Total.....	545	44,070	130,987	11,249,011	

¹ Withheld.

For 2 hotels only.

² Condemnation proceedings.

The Navy Department has leased an estimated total of 42 hotels at an approximate rental of \$2,560,324.33. This does not include 69 hotels leased by the Coast Guard for \$477,378 annual rental.

Three hotels have been leased between February 24, 1942, and May 1, 1943, by the Federal Public Housing Authority. One of these has since been canceled. Annual rentals total \$13,500.

NEED FOR CENTRALIZED CONTROL

The Comptroller General of the United States, recognizing the anomalous situation which now exists regarding information on Federal land acquisition, recently indicated in a letter to the President of the Senate that no uniform method of acquisition, disposal, and recording of Federal real-estate holdings is now extant. The sixty-odd Federal establishments are all on a parity as to administrative control and responsibility, each functioning in its own separate sphere, yet none equipped to assemble and correlate the information on new land and property requirements, surplus property disposition, future utilization, and the custody of the greatly expanded Federal holdings.

Specifically, the Comptroller General states:

"There is at the present time no satisfactory uniform control, administrative or otherwise, over the performance of the operational steps in the acquisition and disposition of real property for the uses and purposes of the United States and its various agencies, nor has any satisfactory procedure been established for the compilation of records whereby adequate administrative control could be effected.

"While various attempts have been made in the direction of establishing logical acquisition and planning measures, and of effecting more adequate accounting control, there is still no central depository or record from which the factual situation as to real property holdings can be reflected so that new acquisition and disposition requirements can be met to the best advantage of the Government."¹

The Joint Committee on Reduction of Nonessential Federal Expenditures in preparing this present report has been reminded only too forcibly as to the truth of this statement inasmuch as it was impossible to ascertain the extent of present Federal land

¹ CONGRESSIONAL RECORD, vol. 89, pt. 6, p. 8485.

holdings except by going directly to the individual agencies. In addition, no information on future programs for land acquisition is generally available, as attested by the statement of the Assistant Attorney General of the Lands Division, Department of Justice, who, at a hearing before the committee, indicated that data respecting proposed land purchases may be secured only through the records of the agencies involved.

It is the opinion of the Comptroller General that there should be established in the General Land Office of the Department of the Interior the necessary facilities providing for the acquisition, abstracting, titling, recording, and disposition of federally owned and controlled lands since much of the machinery and personnel needed for this centralization is already a part of the General Land Office. In the interest of both efficiency and economy, the Joint Committee on Reduction of Nonessential Federal Expenditures believes that such a central unit should be established in whatever agency of the Government the Congress may decide.

THE RELATION OF FEDERAL OWNERSHIP OF LAND TO STATE AND LOCAL TAXATION

Because of the recent large-scale acquisition of real estate by the Federal Government, its bearing on State and local taxation has received widespread recognition. Obviously, directly as the Federal Government acquires more real estate, the amount of taxable property in the various States diminishes and the burden on the taxpayer in the particular locale becomes greater.

The President of the United States in 1935 established the Committee of the National Emergency Council to study the relationship of Federal ownership of real estate on State and local taxation. The committee made its report (H. Doc. No. 111, 76th Cong., 1st sess.) in January 1939, covering data to June 30, 1937. A further study, with revisions, was completed in May 1943 (H. Doc. No. 216, 78th Cong., 1st sess.). Partial reproduction of the findings of this Committee, together with additional material, will be found in appendix table C. The following discussion is based in large measure on the findings of the Federal Real Estate Board and the Committee of the National Emergency Council but in no way necessarily represents the opinions of those groups. All references are to appendix table C unless otherwise noted.

Total acreage of Federal real estate as of June 30, 1937, was 394,657,721 acres. Of this amount about 50,592,542 acres actually are under Indian ownership and should be deducted from the total. Thus a summary of Federal real estate and Indian holdings during the past 6 years includes the following:

TABLE XVII.—Growth of nontaxable property

Year	Federal ownership	Indian ownership	Total
	Acre	Acre	Acre
June 30, 1937.....	344,065,179	50,592,542	394,657,721
June 30, 1940.....	368,816,289	50,592,542	419,408,831
June 30, 1943.....	384,519,556	50,592,542	435,112,098

¹ Based on June 30, 1937, figures.

² Includes acquisitions pending.

In 6 years the land area under Federal ownership has increased 11 percent. Land under Federal ownership is now 20.2 percent of total continental United States, not including the 2.6 percent of the land under Indian control.³ The total cost of improvements on Federal real estate runs to over 91 percent of the total, or \$5,625,000,000 of \$6,184,000,000, the remainder representing ini-

³ Since the 1937 figures included this Indian land as part of that belonging to the United States, in the following discussion it will be understood to be included. As it is tax-free, it will not greatly distort the figures.

tial acquisition cost. The estimated assessed value of this property, with no uniformity throughout the States, runs to roughly \$3,282,914,494 or half of this cost with a fair market value of \$4,696,061,638 or three-quarters the cost.

The estimated tax levy on Federal real estate, based on local 1937 rates, would have been about \$91,000,000, of which over 50 percent would have been allocated to the District of Columbia, New York, California, Arizona, Montana, Massachusetts, Nevada, Pennsylvania, Washington, and Illinois.

Federal aid to States for the 10-year period between 1928 and 1937 totaled about \$8,500,000,000, of which not quite three billion was for aid other than that provided by the Federal Emergency Relief Administration, the Civil Works Administration, and the Works Progress Administration, which may be construed as temporary emergency measures.

Included in this aid, according to the committee, were the following projects:

Agriculture: Experiment stations, extension work, forest funds, and highways.

Interior: Colleges, Mineral Leasing Act, special funds, vocational education, education, reclamation.

Labor: Employment service.

Navy: State marine schools.

Treasury: Education of blind.

War: National Guard.

Independent Offices: Federal water power, homes for soldiers and sailors, Federal Emergency Relief Administration, Civil Works Administration, Works Progress Administration, Public Works Administration, Social Security Act, and Tennessee Valley Authority.

The annual aid rendered to States excluding emergency aid (Federal Emergency Relief Administration, Civil Works Administration, and Works Progress Administration), increased considerably during the period. From 1928 to 1930 the average annual aid was about \$146,000,000. From 1931 to 1933 this average increased to \$238,000,000 and from 1934 to 1937 the average aid doubled to \$484,000,000. In addition to this the average annual aid for 1934-37 for Works Progress Administration, Federal Emergency Relief Administration, and Civil Works Administration was \$1,705,155,000.

1. Federal aid in relation to fair market value of Federally owned property

As seen in appendix table C, for the years 1928-37 and including emergency aid, it will be found that 12 States received aid amounting to no more than 10 percent of the fair market value; that 5 States received from 10 to 20 percent of the fair market value; that 10 received from 20 to 30 percent of the fair market value; that 6 received from 30 to 40 percent of the fair market value; that 9 received from 40 to 50 percent of the fair market value; that 5 States received from 50 to 60 percent; that 1 State received from 60 to 70 percent and that 1 State received more than that. States receiving the most aid in relation to fair market value of Federal real estate are as follows: Indiana, 75.7 percent; Wisconsin, 60.1 percent; Mississippi, 57.6 percent; Ohio, 57.2 percent; Missouri, 55.7 percent. The District of Columbia received only 1.5 percent of the fair market value in Federal aid. States with low percentages of aid in relation to fair market values are Nevada, 2.2 percent; Arizona, 2.7 percent; Montana, 5.0 percent; Idaho, 5.7 percent.

For the same period, and excluding Federal emergency aid, appendix table C shows that 15 States received aid amounting to no more than 5 percent; 9 States from 5 to 10 percent; 9 States from 10 to 15 percent; 10 States from 15 to 20 percent; 3 States from 20 to 25 percent; and 3 States from 25 to 30 percent. States receiving the most Federal aid in relation to the fair market value are Mississippi with 26.5 percent; Iowa with 26.3 percent; Indiana with 26 percent; Arkansas with

21.5 percent; Missouri with 20.5 percent. The District of Columbia showed a relationship of 1.1 percent of Federal aid. States receiving almost as low a percentage of Federal aid are Arizona with 1.5 percent; Nevada with 1.7 percent; Washington with 2.7 percent; and Montana with 2.7 percent.

2. Federal aid in relation to population

Including emergency aid, appendix table C shows that the average annual assistance to States paid by the Federal Government for the years 1928-37 was \$857,985,000. The per capita aid annually ranges from Virginia's low of \$3.99 to Nevada's high of \$34.23. States receiving unusually high per capita aid are Nevada, \$34.23; the District of Columbia, \$22.48; Wyoming, \$22.21; New Mexico, \$14.91; Montana, \$16.56; Arizona, \$13.82; South Dakota, \$13.71; Idaho, \$12.41; North Dakota, \$12.52; Utah, \$11.79; Colorado, \$11.51. Most of these States, it will be observed, contain large tracts of public domain and are sparsely populated. Those States receiving the least Federal aid, when emergency aid is included, are North Carolina, \$3.77; Virginia, \$3.99; Kentucky, \$4.52; Tennessee, \$4.59; and Georgia, \$4.84. Four States received on an average of from \$3.99 to \$4.99 annually per capita; 20 States from \$5 to \$6.99; 13 from \$7 to \$9.99; 7 from \$11 to \$14.99; 2 from \$16 to \$17.99; and 3 over \$20.

Excluding emergency aid, appendix table C shows that the average annual aid to States paid by the Federal Government for the years 1928-37 was \$289,600,000, or almost \$3,000,000,000 in the 10-year period. The District of Columbia received an average of \$16.22 per capita annually. States receiving highest per capita aid are as follows: Nevada, \$25.81; Wyoming, \$15.64; Nebraska, \$15.29; Montana, \$8.94; New Mexico, \$8.29. Those States receiving the lowest per capita aid are as follows: New Jersey, \$1.25; Pennsylvania, \$1.40; New York, \$1.64; Massachusetts, \$1.71; West Virginia, \$1.70. Thirty States received less than \$3; nine received from \$3 to \$4.99; seven received from \$5 to \$8.99; and three received from \$15 to \$16.99.

3. Federal aid in relation to economic ability of States

Table D⁴ in the appendix shows the index of State economic ability⁵ to revenue load, Federal aid, and public debt. With the United States as a whole accepted on an index basis of 100, the following States might be States to receive the most aid: Nevada, 225; Wyoming, 217; Nebraska, 214; New Mexico, 206; South Carolina, 204; Oklahoma, 196; Colorado, 195; Mississippi, 197; Utah, 191; South Dakota, 187; Arizona, 178; District of Columbia, 172; Montana, 173.

Those States receiving the least aid proportionably to their economic ability are New Jersey, 63; Connecticut, 68; New York, 70; Michigan, 73; Maryland, 76; Virginia, 80; Illinois, 81; Maine, 84; Ohio, 85; Wisconsin, 86; Rhode Island, 88; Massachusetts, 88.

Dr. Wylie Kilpatrick, under whose supervision the original of appendix table D was compiled, states:

"No fair interpretation of the Federal-aid system would conclude that assistance is intentionally distributed to favor or to discriminate against either the rich or poor States. Rather the conclusion is warranted that the system is haphazard in operation so that distributive justice is achieved by accident or is missed in the same way. For example, the State with the highest economic ability, Ne-

⁴ Appendix D is compiled from a report by Dr. Wylie Kilpatrick for the Bureau of the Census in Financing Federal, State, and Local Governments 1941, U. S. Department of Commerce, Bureau of the Census, Special Study No. 20, final, September 1942.

⁵ Economic ability is computed on a basis of economic income, output of industries, and retail sales on a per capita basis and then averaged.

vada, also has the highest index of Federal aid. This combination is perhaps the fortuitous result of many Federal aids working blindly together.

"Similar incongruities mark Federal and State aid to local governments. Indexes of high ability and low Federal aid may be accompanied, as in New York and Ohio, by large State aid to localities, constituting a normal series of indexes. The three factors of ability, Federal aid, and State aid are often combined diversely without logic."

Table E in the appendix reveals the following. The New England States are very high in economic ability, moderate in their revenue load, low in Federal aid received, and low in debt load. The Middle Atlantic States are very high in economic ability, have the highest national revenue load per capita, receive the least Federal support, and have by far the largest debt. The East North Central States are very high in economic ability, have a low revenue load, low aid, and a low debt. The West North Central States are below average in economic ability, have a moderately low revenue load, a high amount of aid, and a very low debt. The South Atlantic States have a very low economic ability, a moderately low tax load, an above average amount of Federal aid, and an average debt. The East South Central States, lowest in economic ability, have a low tax load, a high amount of aid, and a below average debt load. The West South Central States, low in economic ability, and moderately low in tax load, are high in Federal aid, and slightly above average in debt load. The Mountain States have an average economic ability, a moderately low revenue load, by far the largest amount of aid, and a low debt. The Pacific States have the highest economic ability, a moderate revenue load, a high index of Federal aid, and a slightly above-average debt.

CONCLUSIONS

The committee has watched with apprehension the alarming increase in land acquisition in the last few years. While the committee recognizes that much of this acquisition has been for purposes connected with the national emergency, it nevertheless finds that excessive amounts of land have been purchased by the Government since 1938.

The committee further finds that there has been a growing concern in many States which have experienced the loss of large amounts of taxable property to the Federal Government. Naturally, as the Government acquires more and more property, the tax load on the local taxpayers directly increases. This anomalous situation is further complicated by the fear, expressed in many States, of the post-war effect that the probable dumping of large tracts and parcels will have on local real-estate values.

Consequently the committee expects that Federal agencies contemplating Federal acquisitions should curtail such plans as far as possible. Such acquisition should be effected only after the possibility of using available Federal holdings is exhausted and after the long-range effect on States and municipalities concerned with such acquisitions has been studied.

The committee further finds that no uniform procedure for land and parcel valuation is now in practice. Consequently a wide disparity in appraisal values and purchase prices are possible under such a decentralized method.

RECOMMENDATIONS

The committee recommends—

1. That the Government agencies begin immediately to liquidate surplus holdings in land and real estate which are not needed for Federal activities.

2. That consideration be given to the feasibility of assigning the operational functions of appraising, acquiring, abstracting, recording, and disposing of all real estate owned

and controlled by the Federal Government to a central unit in an already existing Government agency in order to reduce inequity, lack of uniformity, duplication, and waste of funds in connection with Government acquisitions and disposition of real property.

3. That this unit shall be a part of already existing Government machinery.

[Due to the illness of Senator ROBERT M. LA FOLLETTE, Jr., he was unable to join in the presentation of this report, therefore it does not necessarily represent his views.]

THE HARD COAL SITUATION IN MASSACHUSETTS—PETITIONS

Mr. WALSH. Mr. President, I ask unanimous consent to have printed in the RECORD and referred to the Special Committee to Investigate Fuel Oils and Solid Fuels a telegram and a letter in the nature of petitions, which I have received from citizens of Massachusetts.

There being no objection, the telegram and letter in the nature of petitions were referred to the Special Committee to Investigate Fuel Oils and Solid Fuels and ordered to be printed in the RECORD, as follows:

BOSTON, MASS., November 17, 1943.

HON. DAVID I. WALSH,
Senate Office Building:

Hard coal situation in Somerville very acute. Even coal yards in our city of 103,000 population without any hard coal. Your assistance requested to remedy this grave condition.

HAROLD A. PALMER,
Acting Mayor, Somerville, Mass.

THE MEAD CORPORATION,
WHEELWRIGHT DIVISION,
Leominster, Mass., November 13, 1943.

HON. DAVID I. WALSH,
United States Senate,
Washington, D. C.

DEAR SENATOR WALSH: Is there not something you can do about this hard coal situation in New England? It is desperate.

New England is 550,000 tons poorer off this year than at the same time last year, and the shipments are running behind 20,000 to 25,000 tons a week as compared with last year.

In the town of Lancaster, the Lancaster Fuel Co. have just told me that 260 of their customers have no coal at all and 200 have only 25 percent of what they should have. The fuel company has no coal on hand and does not know when it will get any. The situation must be the same in Clinton.

Everybody in this office who burns coal is shy of what they ought to have.

I am chairman of the rationing board in Lancaster and urged a great many people to change to coal last year and now where are they?

Very truly yours,
GEORGE W. WHEELWRIGHT.

FORM OF GOVERNMENT IN LEBANON

Mr. WALSH also presented a telegram from the president of the Mount Lebanon Society, Fall River, Mass., relating to the form of government in Lebanon, which was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

FALL RIVER, MASS., November 18, 1943.

SENATOR DAVID I. WALSH,
White House, Washington, D. C.:

Text of appeal to President Roosevelt and Secretary Hull. The Mount Lebanon Society and auxiliary, an organization founded in Fall River in 1911 by American citizens of Lebanese extraction to help Lebanon achieve its independence, views with great concern the present developments threatening the

structure of that independence now achieved. As American citizens we pray our Government at this stage of world turmoil to use its weighty influence to help stabilize conditions in the republic of Lebanon on the basis of the Atlantic Charter and support Lebanon in its right to the enjoyment of its independence.

We respectfully submit that no consideration of expediency at this stage of world affairs should be permitted to introduce any basic change in the present republican independent form of government in Lebanon, to the end that its inhabitants after the war and during the peace negotiations be allowed to decide their own destiny in an atmosphere of security and by the exercise of their full freedom of choice and free from fear of threat or coercion from whatever source it emanates.

This course appears to us the most conducive to further stability. It is based on the consideration of elementary justice, which we are confident that our Government in its capacity of the leader of democracy in this great struggle, will not hesitate to see applied to the case of our native land, the republic of Lebanon.

MOUNT LEBANON SOCIETY,
FARRIS NASSIF, Jr., President.

PERSECUTION OF THE ARMENIANS

Mr. WALSH also presented a telegram embodying a resolution adopted by a meeting of citizens of Armenian extraction at Cambridge, Mass., which was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

CAMBRIDGE, MASS., November 18, 1943.
The Honorable DAVID I. WALSH,
The United States Senate,
Washington, D. C.

MY DEAR MR. WALSH: In a mass meeting of the Cambridge citizens of Armenian extraction held in the recreation hall at Porter Square, Cambridge, on the 14th of November 1943, I have the honor to send you the enclosed resolution which was unanimously voted examining the reliable reports from Turkey. We find that the Turkish Government is taking advantage of the war and relentlessly continuing a renewed policy of extermination of the remnants of Armenians who had escaped the diabolic orgy planned during the First World War. This policy is carried out under the mild sounding term of wealth tax. Men unable to meet this impossible tax are deprived of all their belongings and sent to hard-labor camps at distant corners of the country where they are practically condemned to death and their families are left at home to perish from starvation. We respectfully call your attention to this sad situation and request you to use your good offices with our State Department to ameliorate the plight of Armenians whose only crime is their faith in Christianity and their devotion to the principles of democracy. We assert our own faith in our American institutions and in the American way of life. We hope that the noble ideas of war will not be denied to the long suffering Armenian people. Resolution adopted November 14, 1943, by those of Armenian extraction at the recreation hall, Porter Square, Cambridge, Mass.

Most sincerely yours,
PAUL K. NAHABEDIAN.

ROLL-BACK OF PRICES AND OPERATIONS OF THE O. P. A.

Mr. DANAHER. I ask unanimous consent that there be printed in the RECORD in full and appropriately referred a letter from the Bridgeport Central Labor Union with attached resolutions.

There being no objection, the letter, with the attached resolutions, was referred to the Committee on Banking and

Currency and ordered to be printed in the RECORD, as follows:

BRIDGEPORT CENTRAL LABOR UNION,
Bridgeport, Conn., November 16, 1943.
United States Senator JOHN DANAHER,
Washington, D. C.

DEAR SENATOR: The enclosed resolutions were adopted by all American Federation of Labor locals in Connecticut in conjunction with C. I. O. and Brotherhood of Railroad Trainmen at a conference called by the State O. P. A., Wednesday, October 20, 1943.

These resolutions were also endorsed at recent meeting of Bridgeport Central Labor Union.

The purpose of this meeting giving information relative to black market, rolling back of prices, and how to cooperate with the O. P. A.

PETER BENARD, President.
WILLIAM J. BRENNAN,
Secretary.

NO. 1. CEILING PRICES

Top legal prices protect the individual and the country at war. It is the obligation of each individual shopper to know top legal prices. The official O. P. A. ceiling price lists should be hung up in every kitchen, and labor organizations will undertake to distribute price lists to all of their members and families. Before doing the daily marketing, every housewife should prepare a shopping list and budget her ration points and note the top legal prices for the items she intends to buy. We urge that checking of prices be made a daily shopping habit! We also urge that apparent violations be taken up at once with the storekeeper and if correction is not made, with the price panel of the local war price and rationing board.

Shutting off the outlet to the black market is the responsibility of every consumer. Organized labor recognizes this responsibility and will do its part. But it also recognizes that it is not the exclusive responsibility of labor, but that of every single consumer in the State and Nation.

NO. 2. LOCAL WAR PRICE AND RATIONING BOARDS

Local war price and rationing boards in each community are made up of volunteers—fellow citizens who are doing a wartime job. They are impartially serving the needs of all people. They are not a group set apart from the rest of the community and must be truly representative of all segments of community life. Local boards require the service of volunteers. Labor members on local boards are not enough. Labor and members of the families of labor recognize the need for additional volunteers' help and urge all persons connected with labor to contribute their services to this essential wartime community activity.

NO. 3. GRADE LABELING

Organized labor recognizes that the lack of definite, understandable labeling of grades is a weakness in the protection of the consumer against abuses of the price-control program. Labor condemns the Taft amendment on grade labeling—an amendment to the Emergency Price Control Act—and vigorously supports a change of the act to provide for the labeling of consumer goods, not only for the protection of the consumer, but to relieve pressure on the price-control structure.

NO. 4. LIVESTOCK CEILINGS

Organized labor points out that unless ceilings are placed upon all meat on the hoof, there can be no effective control of meat prices to the consumer. Labor recognizes the need for control of feed prices as a means of controlling the price of livestock ready for slaughter. It, therefore, urges the Department of Agriculture, the War Food Administration and any other agency connected

with this phase of the price-control program to cooperate with the Office of Price Administration in accomplishing this result.

NO. 5. ROLL-BACKS AND SUBSIDIES

Organized labor urges immediate accomplishment of a roll-back of prices to the level of September 15, 1942, in accordance with the President's hold-the-line order. It recognizes that this result can only be accomplished with the full cooperation of the farmers of this country. This roll-back can be accomplished by the use of subsidies or production bonuses, and labor urges Congress to authorize immediately the use of such payments to farmers to effect the roll-back in prices. The war economy of this country is more important than the special interests of a particular group.

NO. 6. MORE MILK AT LOWER PRICES THROUGH GOVERNMENT SUBSIDY

(Introduced by Teamsters Joint Council No. 64, A. F. of L.)

Whereas farmers have fought for some time to obtain higher prices for their milk, contending that farm labor and feed costs had risen; and

Whereas the failure of milk production to keep pace with milk consumption is attributed to the fact that the farmers have not received the prices they have demanded; and

Whereas it became evident some time ago that there were two alternatives in respect to granting farmers higher prices (1) to pass the increase on to consumers and (2) to subsidize the farmers out of Government funds and thus leave the price to consumers unchanged; and

Whereas certain farm and big business interests object to Government subsidies without proper justification and the use of their influence upon Congress in efforts to restrict or abolish subsidies; and

Whereas the course they follow would increase inflationary trends and impose greater burdens upon labor whose wage increases are limited by law to 15 percent above January 1941 wage rates; and

Whereas Government subsidy is a sound method to roll back prices to September 15, 1942 level, as promised labor by national administration: Therefore be it

Resolved, That this conference go on record in favor of an appropriate increase in farm milk prices through Government subsidy in order to encourage greater milk production; and be it further

Resolved, That our Congressmen from this State be informed of the sense of this resolution and urged to vote in favor of appropriations necessary to roll back consumer prices to the afore-mentioned date.

NO. 7. LOCAL COMMITTEE ON PRICE CONTROL AND RATIONING

Organized labor urges the immediate formation of small working committees in the locals of all unions. The function of these committees will be to originate and follow through on definite action by the members of the locals in support of the price control and rationing programs. Some proper activities of these committees will be to see that members have accurate information on legal ceiling prices—to urge them to check prices when they are buying—to urge them to bring apparent violations to the attention of retailers—and to make reports to local board price panels of cases where retailers refuse to make corrections when the overcharges are called to their attention. These committees can initiate programs to provide information on rationing and price control especially among women members, and the wives of other members, who do the bulk of shopping for the family. The Labor Advisory Committee, representing the locals throughout the State, meets regularly with the State O. P. A. office to work out definite ways in

which organized labor can contribute to the success of the price control and rationing programs, and the local committees can be the means for translating these into direct action by local members.

RESOLUTION OF CONNECTICUT COMMISSION ON INTERGOVERNMENTAL COOPERATION

Mr. DANAHER. Mr. President, I have received from Mr. Henry H. Hunt, director of the Connecticut Commission on Intergovernmental Cooperation, a resolution which was adopted by that commission. I ask unanimous consent that it be printed in full in the RECORD, and thereafter be referred to the Committee on Finance for consideration in connection with the subject of renegotiation of contracts.

There being no objection, the resolution was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

Whereas the retroactive recapture of profits on renegotiation of war contracts by the Federal Government has subjected various States to the risk of serious loss of State tax revenues through the necessity of refunding State taxes already collected and in some instances already distributed to and expended by local governmental subdivisions, and has imposed on the States other administrative and budgetary problems; and

Whereas certain factors are taken into consideration in the renegotiation of war contracts, which factors are not ordinarily, and should not be, given effect in computing State corporate taxes; and

Whereas the States do not participate in the renegotiation of war contracts, which is confined to the exclusive jurisdiction of the appropriate departments of the Federal Government; and

Whereas the financial program of the State of Connecticut is subjected to risk of serious loss of State revenue through the retroactive recapture of profits from the renegotiation of war contracts by the Federal Government, which is unwarranted interference with the State's budgetary and fiscal policies; and

Whereas certain States have passed legislation declaring it the policy of such States to refuse to refund any income taxes already paid, because of renegotiation between the Federal Government and taxpayers in which said States did not participate on the ground that such refunds would upset the State's tax and budgetary system, and that other States are likely to enact similar legislation: Now, therefore, be it

Resolved, That the Connecticut Commission on Intergovernmental Cooperation respectfully recommends to the Congress of the United States and to the appropriate departments of the Federal Government the adoption of a method of renegotiation of war contracts which will relieve the States of the problems referred to herein and obviate the refunding of State taxes already collected; and be it further

Resolved, That this commission strongly urges, for the purpose of providing a uniform and equitable method of accomplishing the foregoing purposes, that every contractor be allowed on renegotiation credit for State taxes computed in accordance with the applicable State laws without adjustment for excessive profits recaptured after corporate taxes have already been paid to the State and this commission further urges that a uniform policy be adopted by the respective renegotiation agencies giving effect to renegotiation after Federal taxes; and be it further

Resolved, That the chairman of the commission transmit a copy of this resolution to the Senators and Representatives in the Con-

gress from the State of Connecticut with a request that they take appropriate action to secure the cooperation of their colleagues in the enactment of such legislation as may be necessary to implement the proposals herein, and that the chairman transmit copies of this resolution to the Committee on Ways and Means, House of Representatives in Congress, the Council of State Governments, Secretary of War, Secretary of the Navy, Secretary of the Treasury, chairman of the Truman committee, Chairman of the United States Maritime Commission, and Senator WALTER F. GEORGE, of Georgia, chairman of the Committee on Finance, with the request that such legislation and administrative procedure be adopted to accomplish the purpose herein set forth.

RESOLUTION BY CONVENTION OF RURAL COOPERATIVES AT ST. PAUL, MINN.

Mr. LANGER. Mr. President, I present and ask to have printed in the RECORD and appropriately referred a letter embodying a resolution adopted by the convention of the Rural Electric Cooperatives of Minnesota, North and South Dakota, held at St. Paul, Minn., on November 11, 1943.

There being no objection, the letter embodying a resolution was referred to the Committee on Appropriations and ordered to be printed in the RECORD, as follows:

MINNESOTA ELECTRIC COOPERATIVE,
St. Paul, Minn., November 16, 1943.
HON. WILLIAM LANGER,
United States Senate,
Washington, D. C.

DEAR SIR: The following resolution was unanimously adopted at the convention of Rural Electric Cooperatives of District 6, held at Hotel Lowry, St. Paul, Minn., on November 11, 1943:

"Resolved, That we, the duly elected delegates of the Rural Electric Cooperatives of Minnesota, North and South Dakota, in annual convention at St. Paul, Minn., this 11th day of November 1943, urgently request that the Senators and Members of Congress of region 6 take the lead in sponsoring the appropriation of at least \$750,000 to be made available immediately to the Rural Electrification Administration as a special administrative fund for the purpose of assisting the Rural Electric Cooperatives of America in completing surveys and engineering studies for shelf of projects to blueprint stage to be ready for immediate construction after the war, or as materials are available before the end of the war.

"Preliminary figures indicate that there are still 7,000,000 farms, farm establishments, and nonfarm rural homes without electricity; be it further

"Resolved, That a copy of this resolution be sent to Senators and Members of Congress of each of the three States and that a copy also be sent to the Governors of these States, and to the President of the United States, the Secretary of Agriculture, and the Administrator of R. E. A."

May we urge your cooperation in the above matters, and may we offer any assistance you may see fit to direct to us for your guidance.

Yours very truly,

H. EDMUNDS,
Director, District 6,
National R. E. C. A.

RESOLUTION BY COUNCIL OF THE AMERICAN INSTITUTE OF CONSULTING ENGINEERS—PROPOSED OFFICE OF SCIENTIFIC AND TECHNICAL MOBILIZATION

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD, and appropriately referred,

a resolution adopted October 6, 1943, by the American Institute of Consulting Engineers on the so-called Kilgore bill, relating to the establishment of an office of scientific and technical mobilization.

There being no objection, the resolution was referred to the Committee on Military Affairs, and ordered to be printed in the RECORD, as follows:

Whereas there have been brought to the attention of the American Institute of Consulting Engineers the so-called Kilgore bill, Seventy-eighth Congress, first session, S. 702 and its counterpart, the so-called Patman bill, Seventy-eighth Congress, first session, H. R. 2100; and

Whereas the bills propose to establish for time of war and of peace an office of scientific and technical mobilization which is given powers in the fields of science, research and engineering that are specific authorizations for the application of principles and dictatorial methods bearing resemblance to those used by governments in fascism and national socialism; and

Whereas the effects of the establishment of such an office would be to disrupt the present highly successful methods of scientific and technical research, which have been so extraordinarily successful in our present age; and

Whereas the highly centralized control will deaden private and individual initiative upon which great progress in science and in industry in our country has been based: Now, therefore, be it

Resolved,

1. That the American Institute of Consulting Engineers, through the council in which is vested the government of the institute, hereby records its opposition to the passage of these bills or either one of them, or of any bills granting similar powers,

2. That all members of the institute be advised to communicate promptly with their Representatives in Congress and Senators, recording opposition to these bills, and

3. That a copy of this resolution be sent to all Members of the Senate and of the House.

AMERICAN INSTITUTE OF
CONSULTING ENGINEERS,
R. E. BAKENHUS, President,
PHILIP W. HENRY, Secretary.

RESOLUTIONS BY CONVENTION OF THE SOUTHERN TENANT FARMERS UNION

Mr. LANGER. Mr. President, I present and ask to have printed in the RECORD and appropriately referred resolutions adopted by the Southern Farmers Tenant Union dealing with various farm problems.

There being no objection, the resolutions were referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

RESOLUTION 5: REPRESENTATION FOR AGRICULTURAL LABOR ON REGIONAL MANAGEMENT LABOR COMMITTEES

Whereas there has been established management-labor committees under the War Manpower Commission in the various regions for the purpose of developing policies and programs affecting all types of labor; and

Whereas these committees are now composed of representatives of employers and organized industrial workers and no representation has been given organized agricultural workers though these committees do concern themselves with the problems of all types of labor, including agricultural workers; and

Whereas the various Southern States contain the Nation's largest supply of labor

which is not fully utilized in the war effort: Be it

Resolved, That this tenth annual convention of the Southern Tenant Farmers Union assembled in Memphis, Tenn., and representing farm workers residing in the States of Arkansas, Missouri, Texas, Oklahoma, New Mexico, Alabama, Mississippi, Tennessee, and Florida urges the War Manpower Commission to give representation to agricultural workers in these States by appointing representatives on the regional management-labor committees; further it is

Ordered, That copies of this resolution be sent to Chairman Paul V. McNutt of the War Manpower Commission, officers of the American Federation of Labor and Congress of Industrial Organizations.

RESOLUTION 6: PUBLIC LAW 45

Whereas the Congress of the United States in April of 1943 adopted a law and appropriated \$26,000,000 for the purpose of supplying farm labor needs on the Nation's farms; and

Whereas under provisions of this the Agricultural Extension Service which is an educational institution has been given authority to determine areas of recruitment within the various States and to recruit workers for farm work; and

Whereas the Food Administration is prohibited by a provision in this law from furnishing transportation to farm workers who are unemployed in the 3,000 agricultural counties of the Nation unless the county agent in each county certifies that each individual worker is available for farm work elsewhere; and

Whereas this law and other measures taken by agencies such as the War Manpower Commission and Selective Service have frozen thousands of experienced farm workers in Southern States in the counties in which they live; and

Whereas with few exceptions the only farm labor supplied the Nation's farms has been that of foreign workers imported into the United States and inexperienced men, women, and children from cities: Therefore be it

Resolved, That this convention petitions the Congress of the United States to enact a law and appropriate funds for recruiting and transporting farm workers during 1944 on the following basis:

1. That one agency of Government preferably the War Food Administration be given full authority to recruit and transport farm workers from any area of the United States where workers are available for employment and to any area where they are needed.

2. That no foreign workers be imported into the United States or war prisoners used until all American workers are fully employed in the war effort.

3. That authority given the county agents to determine the availability of farm workers for transportation to another area in 1943 be removed from provisions of the 1944 law. That the various agricultural extension services restrict their activities to education of farmers.

4. That there be set up by the agency responsible for recruiting and transporting farm workers a representative committee composed of employing farmers, farm workers, and the public to determine policies, areas of recruitment, housing and wage standards for farm workers. That such a committee be authorized to hold hearings in each region or crop division of the United States to determine wages and other conditions of employment on farms for the region or crop.

RESOLUTION 7

Whereas the crops in the Mid-South were seriously affected by drought; and

Whereas all crops have now been harvested in this area and there is nothing for farm workers on cotton plantations to do through the winter months and their labor will be unused while workers are needed in other areas: Therefore be it

Resolved, That we call on the Congress of the United States and officials of the War Manpower Commission and the War Food Administration to devise some plan whereby these workers may be used in the war effort.

RESOLUTION 8: WAR PRISONERS

Whereas there are thousands of war prisoners in the country who may be used on farms and in food processing plants: Be it

Resolved, That this convention go on record urging the Government not to use these enemies of our country on farms and in food processing plants producing food for war use.

RESOLUTION 9

Whereas the executive council presented a report on the rural South after the war: Be it

Resolved, That the convention adopts this program as the official program of the union for the rural South after the war and that this program be subject to editing by the executive council for the purpose of clearing up any statement which may be misconstrued.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. TYDINGS, from the Committee on Territories and Insular Affairs:

S. J. Res. 93. Joint resolution declaring the policy of the Congress with respect to the independence of the Philippine Islands, and for other purposes; without amendment (Rept. No. 537); and

S. J. Res. 94. Joint resolution establishing the Filipino Rehabilitation Commission, defining its powers and duties, and for other purposes; with an amendment (Rept. No. 538).

PRELIMINARY REPORT OF SPECIAL COMMITTEE ON POST-WAR ECONOMIC POLICY AND PLANNING (REPT. NO. 539)

Mr. GEORGE. Mr. President, I submit a preliminary report from the Special Committee on Post-war Economic Policy and Planning relating specifically to the disposal of surplus plants and material, the cancelation and adjustment of war contracts, and industrial demobilization and reconversion. I ask that the report be published.

The VICE PRESIDENT. Without objection, the report will be received and printed.

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. BARKLEY, from the Joint Select Committee on the Disposition of Executive Papers, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted a report thereon pursuant to law.

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

Mr. GEORGE, from the Committee on Finance, reported favorably the nomination of Elaine Beadling, of Coraopolis, Pa., to be collector of customs for cus-

toms collection district No. 12, with headquarters at Pittsburgh, Pa., in place of Dennis A. Phelan, resigned.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred, as follows:

By Mr. TAFT:

S. 1536. A bill to authorize emergency relief and rehabilitation of farm lands in Lucas County, Ohio, from damage resulting from the extraordinary floods of July and October 1943; to the Committee on Commerce.

By Mr. HOLMAN:

S. 1537. A bill for the relief of Dr. Herbert M. Greene; to the Committee on Finance.

By Mr. BRIDGES (for himself and Mr. TOBEY):

S. 1538. A bill to enlarge the jurisdiction of United States district courts in suits against the United States; to the Committee on the Judiciary.

(Mr. TYDINGS introduced Senate 1539, which was referred to the Committee on Military Affairs, and appears under a separate heading.)

AUTHORITY FOR MILITARY ORGANIZATIONS TO CARRY CIVIL WAR BATTLE STREAMERS

Mr. TYDINGS. I introduce for appropriate reference a bill authorizing the War Department to permit Civil War battle streamers to be carried with regimental flags. It has always been the policy to exclude streamers which were carried by Confederate regiments, the traditions of which have been inherited down to the present day. I refer, as an example, to a specific regiment, an Alabama organization, which was in existence long before the Civil War, and has continued since, and which fought during the World War as a part of the Rainbow Division. I think it appropriate that now, for purposes of carrying on the traditions of this regiment, the sons of those who fought on the southern side in the Civil War, in memory of the battles in which their fathers fought, at least should have the right to carry these streamers as a matter of maintaining military morale.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1539) to authorize the carrying of Civil War battle streamers with regimental colors was read twice by its title and referred to the Committee on Military Affairs.

Mr. TYDINGS. I also ask unanimous consent that the record of the Alabama regiment to which I have referred be printed in the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

HISTORY OF THE ONE HUNDRED AND SIXTY-SEVENTH INFANTRY

Magnolia Cadets, Canebrake Rifle Guards, Cahaba River Rifles, Alabama Zouaves, Hardee Light Infantry, Montgomery Tru Blues—these were among the companies, some organized as early as 1836, from which was formed the Fourth Alabama Infantry, Confederate States of America, the predecessor of the present One Hundred and Sixty-seventh Infantry.

Immediately after its organization, the Fourth Alabama proceeded by way of Dalton, Ga., to Lynchburg, Va., where it was mus-

tered into the service of the Confederate States of America on May 7, 1861. From there it moved to Harpers Ferry, and shortly thereafter it became a part of General Lee's brigade and participated in the First Battle of Manassas.

In the spring of 1862 the Fourth Alabama took part in the Battle of Seven Pines, sustaining heavy losses. As one of the regiments in Jackson's corps, it fought at the First Battle of Cold Harbor, Malvern Hills, the Second Battle of Manassas, and Antietam. The regiment then became a part of General Law's brigade, composed entirely of Alabama troops, and took active part in the Battle of Fredericksburg and Suffolk, which opened the way for Lee's invasion of the North. Passing on into Pennsylvania, it suffered severely in the repulse at Gettysburg.

In the fall of 1863 the Fourth Alabama moved south with Longstreet's corps and engaged in the battle for Chickamauga. Rejoining the Army of Northern Virginia in 1864, it again became involved in the hardest kind of fighting, as the names Wilderness, Spotsylvania, and Second Cold Harbor testify. After these battles came a long trench warfare period behind the defenses of Petersburg. Then came Appomattox and the surrender, bringing the Alabama regiment's brilliant Civil War record to a close.

While this regiment is credited with only 17 campaigns, and only 17 stones are shown on the regimental crest in commemoration of its participation in the War between the States, it will be noted from the following list that a good many skirmishes were engaged in which were counted as a part of the main effort rather than as a campaign for which the regiment claims battle honors.

Ethams Landing, Beans Station, Gaines Farm, Malvern Hill, Hagle River, Va.; Spotsylvania, Va. (five times); Sharpsburg, Md.; Crutchfields Farm, Va.; Hanover, Va.; Suffolk, Va.; Charles City, Va.; Chickamauga, Ga. (twice); Wills Island, Va.; Hog Mountain, Williamsburg, Va.; Petersburg, Va.; Deep Bottom, Va.; Fort Gibson, Va.; London, Ky.; Knoxville Heights, Tenn.; Seven Pines, Dandridge Pike, Tenn.; Dandridge, Tenn.; Wilderness, Va. (three times); Manassas, Va. (three times); South Mountain, Md.; Fredericksburg, Va.; Fort Huger, Va.; Gettysburg, Pa.; Falling Water, Houlet House, Thornton River, Va.; Ruggles Mill, Chattanooga, Tenn.; Raccoon Valley, Tenn.; Campbell Station, Va.; Cold Harbor, Va.; Manassas Gap, Va.; Fort Harrison, Va.; Darby Town, Va.; Knoxville, Tenn.

At the close of the War between the States, the regiment was mustered out of the Confederate States Army and again became State militia, in independent companies, the organization of which was completed by 1872. The Fourth Alabama units served as militia until 1911, when the Fourth Infantry, National Guard, was organized from the units.

This National Guard outfit saw no active service until June 1916, when it was ordered into Federal service during the Mexican border disturbances and sent to Nogales, Ariz. On the border, it drilled, hiked, patrolled, and performed guard duty. Returning from Nogales on March 22, 1917, it was retained in service for detail guarding bridges and other railroad property until it was returned again to Montgomery on August 14, 1917.

On the eve of the War between the States, the Fourth Alabama was created by Special Order No. 167, A. G. O., Alabama. It is, therefore, a coincidence that on the eve of the World War the regiment should be redesignated the One Hundred and Sixty-seventh Infantry.

As part of the Forty-second (Rainbow) Division, the regiment was sent to Camp Mills, N. Y., on August 28, 1917, where it was made ready for service with the American Ex-

peditionary Forces. Arriving at Liverpool, England, November 19, 1917, it was sent to France, where it arrived on November 23.

The World War service of the One Hundred and Sixty-seventh Infantry was with the Eighty-fourth Brigade, commanded by Brig. Gen. Douglas MacArthur. Its war record assures its place among the great fighting regiments of the American Army. The participation of the One Hundred and Sixty-seventh in the World War follows:

Lorraine sector (defensive), February 21 to March 21, 1918.

Baccarat sector, subsector Vacqueville (defensive), March 31 to June 18, 1918.

Champagne-Marne (defensive), July 15-18, 1918.

Somme-Suippes sector (defensive), July 3-18, 1918.

Aisne-Marne (offensive), July 26 to August 2, 1918.

La Croix Rouge Farm (offensive), July 26-27, 1918.

Ourcq River, Serpy, Hill 212 (offensive), July 27 to August 2, 1918.

St. Mihiel (offensive), September 12-16, 1918.

Essey sector (defensive), September 16-27, 1918.

Meuse-Argonne (offensive), October 5 to November 9, 1918.

Kreimhilde Stellung, Hill 288, Cote de Châtillon (offensive), October 11-21, 1918.

Heights of the Meuse and advance to Sedan (offensive), November 2-9, 1918.

The battle streamers authorized the regiment are:

World War—Lorraine, Champagne-Marne, Aisne-Marne, St. Mihiel, Meuse-Argonne. Other battle honors include the award of the French Croix-de-Guerre with palm to Company F for distinguished gallantry in action.

Following the armistice, the One Hundred and Sixty-seventh Infantry entered the American Army of Occupation and arrived in Germany on November 16, 1918, 5 days after the end of the war, and remained in that country until ordered to return home. Arriving at New York City, April 25, 1919, then proceeding to Montgomery, Ala., its muster-out was completed by May 19, 1919.

Two months later, in July, 1919, the regiment was again reorganized as the Fourth Infantry, National Guard, and served as such until December 1921, at which time it was redesignated the One Hundred and Sixty-seventh Infantry, Alabama National Guard. Regimental headquarters received Federal recognition on April 10, 1922.

Serving as National Guard troops in Alabama, the regiment has been called into the service of the State on many occasions for emergency duty during floods, storms, riots, and civil disturbances, proving that it is capable of serving well in peacetime as well as in war.

It was in the one hundred and fourth year of its existence, on November 25, 1940, that the regiment was again ordered into Federal service as a part of the Army of the United States by Presidential order dated at the White House, Washington, D. C., November 16, 1940. By the latter part of December 1940 it was stationed at Camp Blanding, Fla., its present station, to begin a year of intensive training.

There are few regiments in either the Regular Army or National Guard which can boast of a battle record as distinguished as the One Hundred and Sixty-seventh's. In both the Civil and World Wars, its service was marked by participation in the great pitched battles which stand forth on the pages of the military history of the Nation. The motto of the One Hundred and Sixty-seventh Infantry is *Signa Inferemus*—We shall drive forward. The words look to the future, and the past performances of the battle-proven regiment proclaim them full of meaning.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred, as indicated:

H. R. 248. An act for the relief of Louis Courcell;

H. R. 399. An act for the relief of John Sims;

H. R. 1133. An act for the relief of Sam Swan and Ailly Swan;

H. R. 1220. An act for the relief of Paul J. Campbell, the legal guardian of Paul M. Campbell, a minor;

H. R. 1442. An act for the relief of Lafayette Gibson;

H. R. 1594. An act for the relief of Peter A. Gawalis;

H. R. 1737. An act for the relief of the Saunders Memorial Hospital;

H. R. 1854. An act for the relief of Ethel Cohen;

H. R. 1934. An act for the relief of Mrs. Donald B. Johnston;

H. R. 1984. An act for the relief of Paul Barrere;

H. R. 2005. An act for the relief of Christine Mangrum, Luster Mangrum, and Nathan Mangrum;

H. R. 2075. An act for the relief of Charles R. Hooper;

H. R. 2091. An act for the relief of Mrs. Gladys M. Greenleaf and the estate of Ralph Alton Greenleaf, deceased;

H. R. 2236. An act for the relief of Roberta Ramsey;

H. R. 2315. An act for the relief of Ethel Phillips and Mary Hurley;

H. R. 2385. An act for the relief of Nadine Gorman;

H. R. 2440. An act for the relief of Mrs. Priscilla B. McCarthy;

H. R. 2469. An act for the relief of Anna Charack;

H. R. 2691. An act for the relief of Tom S. Steed;

H. R. 2792. An act for the relief of Arvo Karl, Lempi K. Holm, and Burt Johnston;

H. R. 2999. An act for the relief of Leo Gullio;

H. R. 3000. An act for the relief of Clara E. Clark;

H. R. 3039. An act for the relief of Mrs. C. W. Selby;

H. R. 3136. An act for the relief of Hamp Gossett Castle, Lois Juanita Gimble, Margaret Carrie Yarbrough, and Roy Martin Lyons; and

H. R. 3153. An act for the relief of the estate of Jennie I. Weston, deceased; to the Committee on Claims.

H. R. 3356. An act to increase the service-connected disability rates of compensation or pension payable to veterans of World War No. 1 and World War No. 2, and veterans entitled to wartime rates based on service on or after September 16, 1940, for service-connected disabilities, and to increase the rates for widows and children under Public Law 464, Seventy-third Congress, as amended, and to include widows and children of World War No. 2 veterans for benefits under the latter act; and

S. 3377. An act to increase the rate of pension for World War veterans from \$40 to \$50 per month, to \$60 per month in certain specified cases, and for other purposes; to the Committee on Finance.

WARTIME METHOD OF VOTING BY THE ARMED FORCES—AMENDMENT

Mr. VANDENBERG submitted an amendment intended to be proposed by him to the bill (S. 1285) to amend the act of September 16, 1942, which provided a method of voting, in time of war, by members of the land and naval forces absent from the place of their residence,

and for other purposes, which was ordered to lie on the table and to be printed.

FIRST SUPPLEMENTAL NATIONAL DEFENSE APPROPRIATIONS, 1944—AMENDMENTS

Mr. THOMAS of Oklahoma submitted three amendments intended to be proposed by him to the bill (H. R. 3598) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1944, and for other purposes, which were referred to the Committee on Appropriations and ordered to be printed, as follows:

At the proper place in the bill insert the following:

"Sac and Fox Indians, Oklahoma (tribal funds): The Secretary of the Interior is hereby authorized to pay Frank O. Jones \$36.32 from funds on deposit in the Treasury to the credit of the Sac and Fox Indians of Oklahoma, for services performed while a member of the Sac and Fox, Oklahoma, tribal council."

At the proper place in the bill insert the following:

"CHICKASAW NATION OF INDIANS, OKLAHOMA (TRIBAL FUNDS)

"The Secretary of the Interior is hereby authorized to pay to attorneys of record for said Chickasaw Nation of Indians, employed under the authority of the act approved June 7, 1924 (43 Stat., p. 537); for necessary expenses in connection with the investigation of records and preparation, institution and prosecution of suits of the Chickasaw Nation of Indians against the United States under the above-mentioned act of June 7, 1924, the sum of \$1,000."

At the proper place in the bill insert the following new section:

"Sec. — Nothing contained in this act or in the act entitled 'An act making appropriations for the Military Establishment for the fiscal year ending June 30, 1944, and for other purposes,' approved July 1, 1943, shall be construed to prevent or to interfere with the instruction, education, training, transportation, or service of class IV-E conscientious objectors within or outside of the United States, its Territories and possessions, when such instruction, education, training, transportation, or service is conducted and paid for by a religious or philanthropic agency for the purpose of carrying out relief operations, or to prevent persons paid from appropriations made by the said acts from incidentally facilitating the said instruction, education, training, transportation, and relief services."

RELIEF OF STATES FOR LOSS OF REVENUE ARISING FROM NONTAXATION OF INDIAN LANDS

Mr. THOMAS of Oklahoma submitted the following resolution (S. Res. 208), which was referred to the Committee on Indian Affairs:

Whereas the investigations and reports authorized and contemplated under Senate Resolution 282 and Senate Resolution 432 of the Seventy-first Congress were never finally completed; and

Whereas the recommendations of the United States Senate subcommittee of the Committee on Indian Affairs were to the effect that the studies of the relation of the States, wherein exempt Indian properties were of sufficient consideration to seriously affect the State's taxing power, and that of its political subdivisions to the United States, be further studied, in order to determine the rights and equities of such States, with reference to said exempt Indian lands and other property; and

Whereas the Supreme Court of the United States, in the case of *Oklahoma Tax Commission v. United States*, in an opinion dated June 14, 1943 (319 U. S. —), stated:

"Congress has passed laws under which Indians have become full fledged citizens of the State of Oklahoma. Oklahoma supplies for them and their children schools, roads, courts, police protection, and all the other benefits of an ordered society. Citizens of Oklahoma must pay for these benefits. If some pay less, others must pay more. Since Oklahoma has become a State, it has been authoritatively stated that tax losses, resulting from tax immunity of Indians, have totaled more than \$125,000,000, a sum only slightly less than the bonded indebtedness of the State."

In another recent decision of the Supreme Court, it was stated that the new policy of Congress was to tighten the guardianship and restrictions against the taxation of Indian properties, and that where such exemptions or immunities impinged upon the rights and powers of local governments, that the remedy was with Congress, and not in the courts. (See *Creek County v. Seber*, 318 U. S., 705, 87 L. ed., 807); Now, therefore, be it

Resolved, That the Committee on Indian Affairs of the Senate of the United States, or a duly authorized subcommittee thereof, is authorized to make a further investigation of the relationship between the Federal Government and the governments of the several States and political subdivisions thereof, in which are located Indian reservations and restricted Indian lands, whether unallotted, allotted, tribal lands, or restricted lands belonging to individual Indians, which are now, or which have in the past been exempt from State taxation, and in which oil and gas or other minerals produced therefrom, are likewise exempt from State taxation; with a view to developing a plan by which, if, in the judgment of the Congress, the facts justify, the United States may make a fair and equitable reimbursement or compensation to the said States, commensurate with the detriment sustained by each such State, or its political subdivision.

For the purposes of carrying out this resolution, the said Committee on Indian Affairs, or a subcommittee thereof, is authorized to hold hearings; to sit and act at such times and places, during the sessions and recesses of the Senate of the present Congress, until final report is submitted.

This resolution shall be deemed a continuation of the authorizations and purposes provided for in Senate Resolution 282 and in Senate Resolution 432 of the Seventy-first Congress, and consistent with the report of the Subcommittee on Indian Affairs of April 1932, submitted to the chairman and members of the Senate Committee on Indian Affairs, pursuant to said Resolution 282.

SAMUEL MARGOLIN

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 1169) for the relief of Samuel Margolin, which was, on page 1, line 6, to strike out "\$1,427.50" and insert "\$1,727.50."

Mr. WHITE. Mr. President, I move that the Senate concur in the House amendment. I may say that I have conferred with the chairman of the Committee on Claims with respect to this matter, and he has no objection to the action I propose.

The motion was agreed to.

NATIONAL AGRICULTURAL JEFFERSON BICENTENARY COMMITTEE

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the joint resolution (S. J. Res. 47) providing for the appoint-

ment of a National Agricultural Jefferson Bicentenary Committee to carry out under the general direction of the United States Commission for the Celebration of the Two Hundredth Anniversary of the Birth of Thomas Jefferson appropriate exercises and activities in recognition of the services and contributions of Thomas Jefferson to the farmers and the agriculture of the Nation, which were to strike out the preamble; to strike out all after the resolving clause and insert:

That the purpose of this resolution is to authorize, during the year beginning April 13, 1943, which marks the two hundredth anniversary of the birth of Thomas Jefferson, the creation of the National Agricultural Jefferson Bicentenary Committee which, together with public and private institutions in the service of agriculture, the United States Department of Agriculture, and the State colleges of agriculture and organizations composed of farmers and their families, is hereby authorized to hold, conduct, and participate in ceremonies and activities throughout the Nation not only to reverence Thomas Jefferson as a patriotic statesman and philosopher, as author of the Declaration of Independence, as a private citizen and President of the United States but also in recognition of our great debt to him as a farmer, agricultural philosopher, inventive genius, educator, and leader in scientific agriculture.

Sec. 2. That there be created the National Agricultural Jefferson Bicentenary Committee. The Secretary of Agriculture is hereby appointed Chairman of and is hereby authorized to organize such Committee. The President pro tempore of the Senate shall appoint as members of the Committee five Members of the Senate. The Speaker of the House of Representatives shall appoint as members of the Committee five Members of the House of Representatives. The Secretary of Agriculture is hereby authorized to appoint in his discretion an appropriate number of members of the Committee representing the following agricultural organizations:

United States Department of Agriculture.
The land-grant colleges (including the colleges of agriculture, the agricultural experiment stations, and the agricultural extension services).

National farm organizations.
The agricultural press.
Scientific and learned societies dealing with agriculture.

The Office of Education.
The Secretary of Agriculture is empowered to appoint a secretary for the Committee. All members of the Committee are to serve without compensation. The duties of the Committee shall be to assist in bringing to the attention of the people of the United States the great services rendered by Jefferson to agriculture and to encourage and promote appropriate and timely activities in connection with the various agricultural organizations mentioned above and of the States of the United States, in the various agricultural meetings to be held during the current year, to encourage appropriate programs dealing with Jefferson and agriculture in the United States Department of Agriculture and the land-grant colleges, to encourage widespread dissemination through the press, the radio, farmers' meetings, the rural schools and agricultural high schools, etc., information about Jefferson.

Sec. 3. The provisions of this joint resolution shall not be construed to authorize the making of any appropriation to carry out its purpose.

And to amend the title so as to read: "Joint resolution to provide for the appointment of a National Agricultural Jefferson Bicentenary Committee to carry out appropriate exercises and ac-

tivities in recognition of the services and contributions of Thomas Jefferson to the farmers and the agriculture of the Nation."

Mr. BYRD. Mr. President, I move that the Senate concur in the amendments of the House.

The motion was agreed to.

CONFIRMATION OF NOMINATION OF RAY ATHERTON TO BE AMBASSADOR TO CANADA

Mr. CONNALLY. Mr. President, I ask unanimous consent to report from the Committee on Foreign Relations the nomination of Mr. Ray Atherton, of Illinois, who is now Envoy Extraordinary and Minister Plenipotentiary to Canada, to be Ambassador to Canada. This does not change the situation except that it raises Mr. Atherton from the rank of Minister to that of Ambassador. I should like to have unanimous consent for the immediate consideration of the nomination as in executive session.

The VICE PRESIDENT. The clerk will state the nomination for the information of the Senate.

The Chief Clerk read the nomination of Ray Atherton to be Ambassador Extraordinary and Plenipotentiary to Canada.

Mr. WHITE. I understand that the real effect of this is merely to change the rank of Mr. Atherton from that of Minister to that of Ambassador.

Mr. CONNALLY. The Senator is correct.

Mr. WHITE. I have no objection.

Mr. CONNALLY. There are certain reasons why speed in the confirmation is very desirable.

The VICE PRESIDENT. Is there objection to the immediate consideration of the nomination as in executive session? The Chair hears none. Without objection, the nomination is confirmed.

Mr. CONNALLY. I ask unanimous consent that the President be immediately notified.

The VICE PRESIDENT. Without objection, the President will be forthwith notified.

ELIMINATION OF PRIVATE SUITS ARISING FROM FRAUDS AGAINST THE UNITED STATES

Mr. LANGER. Mr. President, I ask unanimous consent that when the conference report on the bill (H. R. 1203) to eliminate private suits for penalties and damages arising out of frauds against the United States comes to the Senate, we may have at least 24 hours before we vote on it so that I may become familiar with the report.

DANGER OF POLL-TAX LEGISLATION

Mr. MAYBANK. Mr. President, I ask unanimous consent to have printed in the body of the Record an excellent editorial from The State, published in Columbia, S. C., entitled "The Poll Tax Again."

There being no objection, the editorial was ordered to be printed in the Record, as follows:

THE POLL TAX AGAIN

Some of The State's readers may have wondered why recently it had been commenting again from time to time on the anti-poll-tax bill which seemed to be sleeping peacefully in

the Senate Judiciary Committee. The reason was—as stated here once before—that we had information that the committee had held it about as long as it thought it could; that pretty soon it would be reported out to the floor. Also, the revival of anti-poll-tax propaganda was a sign that something was cooking.

Now the report is out with a 12 to 6 favorable tag, and Senator BILBO, of Mississippi, has promised "free and unlimited coinage of words" in the staging of another successful filibuster. It will be recalled that he and other southern Senators turned the trick in the closing days of the Seventy-seventh Congress. But the time element in the present situation is quite different. And time is a big item in filibuster.

The point between the House bill, which is the one just reported out by the Judiciary Committee, and the O'Mahoney bill, still in committee, is that the former takes an unconstitutional method of trying to remove the poll tax as a requisite for voting, while the O'Mahoney measure proposes a constitutional amendment, which is a longer, but the right way for the matter to be determined.

We don't think the poll tax, in itself, amounts to a hill of beans in the voting in South Carolina. But its removal—if it is to be removed—should be either by State action or through constitutional amendment, the only lawful means.

The danger in passage of the present House bill is more in what it might lead to than in the removal of the poll tax. If Congress can regulate our voting requisites, when the Constitution definitely places that authority in the State, what else could Congress do under the same procedure?

ISSUES INVOLVED IN POLL-TAX BILL— ARTICLE BY MARK SULLIVAN

Mr. MAYBANK. Mr. President, I also ask unanimous consent to have printed in the body of the RECORD an article entitled "Poll Tax Bill," by an eminent American writer, Mark Sullivan, and published in the Washington Post of November 17, 1943. This covers the matter very fully. In due time I propose to speak on the subject.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

POLL-TAX BILL (By Mark Sullivan) FUNDAMENTAL ISSUE

The present status in the Senate of the proposal to outlaw the poll tax as a qualification for voting is this: The bill to abolish it by act of Congress was reported this week by the Senate Judiciary Committee to the Senate floor and can be called up at any time. Proponents of the measure say they will call it up soon. When called up it will lead to earnest debate. The issue affects the American structure of government more profoundly than any other proposal before this or any recent Congress. There is no call upon the American public more urgent than that this issue be understood, at a time when action upon it is imminent.

The poll tax, as a qualification for voting, is an exercise of the functions of State governments. So is every other qualification for voting, everywhere. Qualifications requiring that the voter must have lived in the State a certain length of time, that he must be a citizen, that if of alien birth he must have been naturalized a certain length of time, that he must be able to read and write—all these and every other one of the various qualifications in different States—all are prescribed by State governments. None are prescribed by the Federal Government at Washington. Fixing qualifications for voting

is an exclusive function of the States. It is the most fundamental of their functions—for it is an attribute of their very existence as units of government.

The present proposal would take part of this function away from the States. It would forbid any State to require payment of a poll tax as a requirement for voting in any election to choose Federal officials (President, Vice President, Members of Congress).

If Congress should take this step, if it should enact the poll-tax bill, it would by that act establish a principle and a precedent. The principle and precedent would be that Congress has a right to determine voting qualifications, that Congress can override qualifications fixed by States. By that principle and precedent, if now established, Congress could change any voting qualification in any State. It could forbid any of the familiar qualifications now widely practiced, having to do with length of residence and the like. It would go further than merely forbid qualifications set up by the States—it could set up and enforce new qualifications of its own.

The proposal soon to be debated by the Senate is of concern not merely to the small number of States, eight which still have the poll-tax requirement. It is of concern to every State, to every citizen. It is of the deepest possible concern to persons who have at heart the preservation of the American structure of Government.

This proposal to take from the States part of a function now exercised exclusively by them, comes at a time when there is already serious anxiety about the extent to which the Federal Government, during the past few years, has intruded upon functions of the States. The extent of the Federal absorption of functions of Government can be suggested by two figures. In the State of Ohio, all the functions of government exercised by the States are carried on by 22,000 State employees. But in the same State the number of Federal employees—exercising Federal functions of government and deriving their authority from Washington—is 90,000.

The issue here set forth is so fundamental that no other aspect of the poll-tax measure is comparable. That the poll tax is undesirable is now generally conceded. Formerly practiced in many States, it is being gradually wiped out by the States themselves. It was wiped out by Florida in 1937, by Pennsylvania in 1933, by Louisiana in 1932, by Massachusetts in 1892, in two of the States still retaining it, Tennessee and Arkansas, active movements to repeal it are under way.

To help eliminate rancor from the coming debate, one point should be understood. Because there are large Negro populations in the eight States, all Southern, which still have the poll tax, it is frequently charged that the poll tax discriminates against Negroes. This impression is widespread and has been cultivated. The impression is utterly wrong. The poll tax applies to whites exactly the same as to Negroes. There are in some Southern States devices, especially as respects primary elections, which do discriminate against Negroes. But the poll tax makes no such discrimination. Argument against it can fairly be based on many grounds—but not on the grounds of discrimination between whites and Negroes. In the coming debate, there is no more occasion to use the word Negro than to use the word Swede, or Italian, or Greek.

EXCHANGE AND TREATMENT OF PRISONERS OF WAR (S. DOC. NO. 129)

Mr. THOMAS of Utah. Mr. President, because of its general public interest, and because the offices of so many Senators have asked for it, I ask unanimous consent that the material appearing on page 9492 of the RECORD of November 15, starting with my remarks and ending with the remarks of the Senator from

New Mexico [Mr. HATCH] on page 9496 be made a Senate document. This matter contains the material which gives information concerning American prisoners held in other countries at the present time.

The VICE PRESIDENT. Without objection, it is so ordered.

THE WORLD WE WANT—ADDRESS BY THE VICE PRESIDENT

[Mr. WAGNER asked and obtained leave to have printed in the RECORD an address entitled "The World We Want" delivered by the Vice President before the New York Herald Tribune Forum in New York City on November 17, 1943, which appears in the Appendix.]

THE MARITIME FUTURE OF THE UNITED STATES—ADDRESS BY SENATOR BARBOUR

[Mr. BARBOUR asked and obtained leave to have printed in the RECORD an address delivered on November 17 by him before the United States Maritime American Legion Post, No. 47, under the auspices of the Maritime Commission, in the Department of Commerce Auditorium, Washington, D. C., which appears in the Appendix.]

RELIGION AND WORLD DISCRIMINATION—ADDRESS BY SENATOR THOMAS OF UTAH

[Mr. WAGNER asked and obtained leave to have printed in the RECORD an address entitled "Religion and World Discrimination" delivered by Senator THOMAS of Utah before the Institute for Religious Studies at the Jewish Theological Seminary of America, New York City, November 16, 1943, which appears in the Appendix.]

ADVERTISING OF WAR BOND PROGRAMS—EDITORIAL FROM WASHINGTON NEWS AND ADDRESS BY SENATOR TRUMAN

[Mr. BURTON asked and obtained leave to have printed in the RECORD an editorial entitled "Advertising Has Paid Its Way" published in the Washington News of November 16, 1943, and an address entitled "The Relation of Advertising to the War Program" delivered by Senator TRUMAN on November 11 at Chicago, Ill., before the annual meeting of the Central Council of American Association of Advertising Agencies, which appear in the Appendix.]

COST-PLUS-A-FIXED-FEE WAR CONTRACTS

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD a release issued by the Office of War Information with reference to reports made by the War and Navy Departments, the Maritime Commission, and the War Shipping Administration on the subject of cost-plus-a-fixed-fee war contracts, which appears in the Appendix.]

THE DOMESTIC AIR PATTERN FOR TOMORROW—ADDRESS BY HARLEE BRANCH

[Mr. BAILEY asked and obtained leave to have printed in the RECORD an address entitled "The Domestic Air Pattern for Tomorrow" delivered by Harlee Branch, member of the Civil Aeronautics Board, before the First National Clinic of Domestic Aviation Planning at Oklahoma City, Okla., on November 11, 1943, which appears in the Appendix.]

FARM PROGRAM—ARTICLE BY GOVERNOR GRISWOLD OF NEBRASKA

[Mr. BUTLER asked and obtained leave to have printed in the RECORD an article entitled "The Twenty Million," discussing the farm program, written by Hon. Dwight

Griswold, Governor of Nebraska, which appears in the Appendix.]

WOODROW WILSON'S LAST WARNINGS

[Mr. GUFFEY asked and obtained leave to have printed in the RECORD an editorial by David Lawrence in the United States News of the issue of November 19, 1943, and the Armistice Day, 1923, radio address by President Woodrow Wilson, and an article entitled "The Road Away From Revolution," contributed by President Wilson to the Atlantic Monthly of August 1923, which appear in the Appendix.]

HARRY SLATTERY, R. E. A. ADMINISTRATOR—EDITORIAL FROM THE EMPORIA GAZETTE

[Mr. CAPPER asked and obtained leave to have printed in the RECORD an editorial entitled "The Fight on Slattery," by William Allen White, published in the Emporia Gazette of October 7, 1943, which appears in the Appendix.]

TELEGRAM TO PRESIDENT ROOSEVELT FROM NATIONAL COMMITTEE OF AMERICANS OF POLISH DESCENT

[Mr. DANAHER asked and obtained leave to have printed in the RECORD a telegram, dated November 16, 1943, addressed to President Roosevelt by the National Committee of Americans of Polish Descent, which appears in the Appendix.]

COUNTING THE SOLDIER VOTE—ARTICLE BY ARTHUR KROCK

[Mr. HAWKES asked and obtained leave to have printed in the RECORD an article entitled "Counting the Soldier Vote—Senator AUSTIN Wants Republican Tellers Agreeable to Party," written by Arthur Krock and published in the New York Times of November 17, 1943, which appears in the Appendix.]

STATEHOOD FOR ALASKA

[Mr. LANGER asked and obtained leave to have printed in the RECORD an editorial entitled "Why Should Alaska Wait," published in the Anchorage (Alaska) Daily News of October 27, 1943, which appears in the Appendix.]

WARTIME METHOD OF VOTING BY THE ARMED FORCES

The VICE PRESIDENT. The routine morning business is concluded.

Mr. BARKLEY. Mr. President, with the understanding that the bill will not be taken up today, and not until the next session of the Senate, whether tomorrow or Monday, which will be determined when we return from the Hall of the House of Representatives, I ask unanimous consent that the Senate proceed to the consideration of calendar No. 540, Senate bill 1285, to amend the soldiers' voting law.

The VICE PRESIDENT. The Clerk will state the bill by title.

The CHIEF CLERK. A bill (S. 1285) to amend the act of September 16, 1942, which provided a method of voting in time of war by members of the land and naval forces absent from the place of their residence, and for other purposes.

Mr. WHITE. Mr. President, my attention was distracted, and I did not hear the statement of the Senator from Kentucky.

Mr. BARKLEY. I said that I should like to have unanimous consent that Senate bill 1285 be made the unfinished business, with the understanding that the bill would not be taken up today,

but go over until tomorrow, to be taken up tomorrow if there should be a session, or, if not, on Monday.

Mr. TAFT. Reserving the right to object, I should like to request that if the bill shall be taken up it will definitely not be proceeded with until Monday. I have not had opportunity to read the bill. There are some amendments which I should certainly like to prepare carefully and suggest, and I express the hope that the Senator may be willing to say that the bill will not actually be taken up until Monday.

Mr. BARKLEY. Mr. President, I wish to confer with the chairman of the Committee on Privileges and Elections, the Senator from Rhode Island [Mr. GREEN], before making such an agreement. Personally, I have no objection to the bill going over until Monday, and I think I can say to the Senator from Ohio that even if it were taken up tomorrow it probably would not be voted on until Monday. However, I should like to have it made the unfinished business.

Mr. TAFT. Does the Senator from Kentucky say not only "probably" but that it will not be voted on before Monday?

Mr. BARKLEY. I think it is quite probable that it will not be voted on before Monday.

The VICE PRESIDENT. Is there objection to the request of the Senator from Kentucky?

Mr. BRIDGES. Mr. President, what is the request made by the Senator?

Mr. BARKLEY. Mr. President, I ask that the Senate be in order so that I will not again have to repeat the request.

The VICE PRESIDENT. The Senate will be in order.

Mr. BARKLEY. I make the unanimous-consent request that the so-called soldiers' voting bill be made the unfinished business, with the understanding that it will not be taken up today; that it will not be taken up until the next session of the Senate.

Mr. BRIDGES. Mr. President, I was a member of the subcommittee and of the full committee which had that bill under consideration, but was ill at the time, and have not had an opportunity completely to study the bill. I should like to have the bill go over until Monday.

Mr. BARKLEY. I think that can be arranged, but I should like to have it made the unfinished business. When the Senate returns from the Hall of the House of Representatives, I think we can arrange the matter.

The VICE PRESIDENT. Is there objection to the request made by the Senator from Kentucky?

Mr. TAFT. I object.

Mr. BARKLEY. Of course, I have the right to move that the Senate consider the bill, so it may be made the unfinished business.

Mr. TAFT. I make the point of order that the call of the calendar is in order.

The VICE PRESIDENT. During the morning hour on any day other than Monday it is in order to move to consider any bill on the calendar.

Mr. BARKLEY. Mr. President, the Senator from Rhode Island [Mr. GREEN], who is chairman of the Committee on Privileges and Elections, advises me that he has no objection to letting the bill go over until Monday. With that understanding I make my request for the present consideration of the bill.

Mr. TAFT. I withdraw my objection. The VICE PRESIDENT. Has the Senator made a motion?

Mr. BARKLEY. I renew my request that the Senate proceed to the consideration of the bill, with the understanding that it not be taken up until Monday.

The VICE PRESIDENT. Does the Senator from Ohio object?

Mr. TAFT. No; I withdraw my objection.

The VICE PRESIDENT. Is there objection to the request of the Senator from Kentucky?

There being no objection, the Senate proceeded to consider the bill (S. 1285) to amend the act of September 16, 1942, which provided a method of voting, in time of war, by members of the land and naval forces absent from the place of their residence, and for other purposes, which had been reported from the Committee on Privileges and Elections with an amendment, to strike out all after the enacting clause, and to insert new matter.

JOINT MEETING OF MEMBERS OF THE TWO HOUSES—ADDRESS BY SECRETARY OF STATE HULL

Mr. BARKLEY. Mr. President, it is now time for the Senate to proceed to the Hall of the House of Representatives, and I ask unanimous consent that the Senate stand in recess until it returns from the House.

The VICE PRESIDENT. Without objection it is so ordered.

Thereupon (at 12 o'clock and 21 minutes p. m.) the Senate stood in recess.

(The Senate being in recess, its Members proceeded to the Hall of the House of Representatives in order to listen to the address delivered by Hon. Cordell Hull, Secretary of State.)

At 1 o'clock and 6 minutes p. m., the Senate reassembled on being called to order by the Vice President.

BLANCHE H. KARSCH—VETO MESSAGE (H. DOC. NO. 359)

Mr. McKELLAR. Mr. President, I desire to make a statement with reference to the bill (S. 514), for the relief of Blanche H. Karsch, administratrix of the estate of Kate E. Hamilton, which, after having passed both Houses, was returned by the President of the United States without his approval. I make this statement with a view to asking the Senate to override the veto of the President. It is a claims bill, and on such a bill I do not think such an attempt has often been made in the Senate; indeed, I do not know whether it has ever been made, but the facts in this case are so clear, and it is so evident that the President acted upon a recommendation of the Treasury Department, that I feel sure that not only will the Senate override the veto, but I am quite confident that if the Pres-

ident had had the actual facts before him he would not have vetoed the bill.

In Memphis, Tenn., there lived a lady who had a considerable amount of real estate which she had inherited, as she thought, from her father and her sister. Her name was Mrs. Kate Hamilton. I knew her very well indeed.

Mr. PEPPER. Mr. President—

Mr. McKELLAR. Mr. President, will the Senator be kind enough to excuse me for a moment?

Mr. PEPPER. I wish to say to the Senator that none of us over here, who want to hear him, can hear a word he has been saying.

Mr. McKELLAR. I am very sorry. I thought I had a fairly good carrying voice. I shall not take more than a few moments, and I hope Senators will listen to me because I am asking them to do a rather unusual thing.

Mrs. Hamilton lived in Memphis, and died on December 1, 1930, possessed of a very considerable amount of real estate which she had inherited from her father and from her sister who was a nun in the Catholic Church, and who had lived in Texas. She died in Texas.

Mrs. Hamilton never knew of a sale being made by her sister. She thought she had inherited all the property through the father, and, her sister dying, she supposed she had inherited it from her sister also. Mrs. Hamilton had one daughter—an adopted daughter, by the way—who inherited her entire estate. The adopted daughter became the administrator of the estate, and received the entire property, and paid an inheritance tax in excess of \$14,000 at the time of the settlement of the estate.

There is a provision in the Federal law, as I recall, which requires that application for the refund of tax money so paid be made within 3 years. The time had nearly expired. I think it would have expired in 3 months, or about that time. I ask the Senator from Louisiana if that is not correct.

Mr. ELLENDER. That is correct.

Mr. McKELLAR. About 3 months before the time would have expired, a remarkable situation developed. The Order of the Sacred Heart, of the Catholic Church, through its attorney, presented a will of the sister in Texas—Mother Mary, as she was called—who died many years ago leaving a will in Texas, which was proved in Texas, but which had never been established in Memphis, and the family knew nothing in the world about it. If the administratrix had filed a claim at that time for a refund of one-half the tax, it would have had an effect on the law suit. A great deal of property was involved, and the administratrix was advised by her lawyer that her claim was perfect notwithstanding the will.

Litigation started in 1934, and continued for several years. The case was first tried in the chancery court, which is the tribunal in Tennessee where such actions are initiated. The case was tried before that court, and Mrs. Karsch, the adopted daughter and administratrix, won before the chancellor. The decision was appealed to the court of appeals by the attorneys for the Order of the Sacred

Heart. The court of appeals decided again in favor of the administratrix. That made two decisions in her favor. Thereupon, in accordance with the provisions of our law, the losing side filed a petition in the Supreme Court, set up all the facts, and asked for a writ of certiorari and supersedeas, which petition being granted, the case went to the Supreme Court.

Mrs. Hamilton, the decedent, died on December 1, 1930, and the administratrix paid the tax in 1931 and 1933, as I recall the date. I shall have to ask the Senator from Louisiana in order to be absolutely certain of the dates. He is chairman of the Committee on Claims, from which the bill was reported.

The case was not finally decided by the Supreme Court until 1939, when a decision in favor of the Order of the Sacred Heart was handed down. Mrs. Karsch had paid out \$7,025.60 in taxes on a part of the estate which was not at all taxable, because under the law the half of the estate going to the sister, or to the devisee under the sister's will, which was the Order of the Sacred Heart, was not taxable.

The measure which has been vetoed was a simple bill introduced by me after the case was decided. It was introduced and was referred to the Committee on Claims, which unanimously reported it. It seemed to be a matter of right. The Government had received \$7,025.60 to which it was not entitled. It was perfectly clear that it was not entitled to the money. The payment was made under a misapprehension of fact, and it seems to me that for the Government to undertake to take advantage of a technical statute of limitations and deprive this administratrix of the \$7,000 which she had unwittingly paid under the circumstances I have stated cannot be defended. It seems so clear that it is a matter of right and justice that the Government should return the money that I am asking that the Senate override the veto.

I am quite confident that if the President had had these facts before him he would not have vetoed the bill. I want to be perfectly frank with Senators; I never dreamed that a bill such as this would be vetoed; of course, I never discussed the bill with the President, and did not have an opportunity to do so. Yet the bill has been vetoed, and I am asking for an overriding of the veto, since the Senate was the body in which the bill originated. It will take a vote of two-thirds of the Senators present, and the question must be decided by a yeas-and-nays vote. I am asking my colleagues to do justice to this good woman, who paid out this money under a misapprehension of the law. I am asking my colleagues to restore to Mrs. Karsch, the administratrix, \$7,025.60 which was erroneously paid.

Mr. VANDENBERG. Will the Senator yield?

Mr. McKELLAR. I yield.

Mr. VANDENBERG. Is the veto based solely on the statute of limitations.

Mr. McKELLAR. Yes; solely on the statute of limitations.

Mr. WHITE. Will the Senator yield?

Mr. McKELLAR. I yield.

Mr. WHITE. It is rather difficult to get a clear understanding of a matter when one has heard it brought up in just this way. As I understood what the Senator stated, the amount carried in the bill is the amount of a tax which was illegally assessed and illegally collected upon a portion of an estate which had passed to a religious or charitable institution.

Mr. McKELLAR. Which was not taxable.

Mr. WHITE. So that it was not legally taxable?

Mr. McKELLAR. That is correct.

Mr. WHITE. Really, the only question presented to us is whether we approve of the pleading of the statute of limitations by the Federal Government against a claimant under these circumstances.

Mr. McKELLAR. The Treasury Department sent in a recommendation that the bill be vetoed on that ground, and evidently the President based his veto on the recommendation of the Treasury Department.

Mr. FERGUSON. Will the Senator yield?

Mr. McKELLAR. I yield; but permit me to say that I hope Senators will remain for a few moments, so that we can take a vote on the matter.

Mr. FERGUSON. I should like to have an answer to the question as to whether or not, when the tax was paid, it was considered by all parties to be a legal tax, and one that should have been paid.

Mr. McKELLAR. That is exactly the fact. No one ever dreamed there was an outstanding will which made any other disposition of the property. Mrs. Karsch thought she had inherited the property.

Mr. FERGUSON. During the entire time while the statute of limitations was running was there any claim that the payment was illegal?

Mr. McKELLAR. No.

Mr. FERGUSON. Did the litigation in fact make it an illegal tax because of the turn the litigation took and the decision in the litigation?

Mr. McKELLAR. That is entirely correct.

Mr. FERGUSON. So that it was impossible to tell anything about whether the tax was legal or not legal until the litigation was finally ended. Is that correct?

Mr. McKELLAR. That is true. It must be said that the 3 years had not quite expired when the will turned up, but if the claim had been made at that time it would have greatly injured the chances of the administratrix, as the Senator, who is an excellent lawyer, must know. He knows it would never have done for the administratrix to take a position of that sort, or she would have been very greatly handicapped in the lawsuit then pending.

Mr. FERGUSON. Merely filing the will was not the true test; it was the determination of the litigation?

Mr. McKELLAR. It was the determination of the litigation. The case was

twice decided in favor of the administratrix, but the last decision was against her.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. EASTLAND. I can tell the Senator from Michigan the facts in the matter. I handled the claim in the Committee on Claims. In short, the facts are these: Mrs. Hamilton died in December, 1930. Mrs. Karsch, her adopted daughter, was her only heir. Mrs. Karsch was appointed administratrix of the estate. She assumed control of this property. She thought it was hers. It had belonged to Mrs. Hamilton since back in the nineties. In December 1931, or a year later, Mrs. Karsch paid the inheritance tax of a little more than \$14,000. She managed the property.

Then in July or August 1934, a religious institution in the State of Texas, which is exempt from the payment of inheritance tax, filed suit under an old will. The will was probated. The will was that of Sister Mary Agnes McGivney, a sister of Mrs. Hamilton, who died in 1890. She willed this property to a religious institution. The will was probated in Texas in 1890. It was not probated in the State of Tennessee. Suit was filed under that will in July or August 1934. The 3-year statute of limitations on which the veto is based would expire in December 1934, or 4 months after suit was filed. Litigation was started, and that litigation was not determined until 1939. There was no claim for refund of the inheritance tax until that suit had been determined.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. FERGUSON. That suit determined the fact that no inheritance tax was in fact due?

Mr. EASTLAND. Yes.

Mr. FERGUSON. Because the property went to the religious institution?

Mr. EASTLAND. Yes.

Mr. FERGUSON. And by virtue of that fact there was no tax due?

Mr. EASTLAND. Yes.

Mr. FERGUSON. If the property had gone as originally it was thought it went, then the tax was due?

Mr. EASTLAND. Yes.

Mr. McKELLAR. Yes, that is true, Mr. President.

Mr. EASTLAND. The suit was not determined until 5 years after the statute of limitations had expired with respect to claim for refund. The point in the veto was that Mrs. Karsch should have filed a claim for refund of the tax before the 3-year period of the statute of limitations had expired. But she had no claim then. She had no claim until the suit had been determined, which was in 1939.

Mr. WHITE. Mr. President, will the Senator from Tennessee yield to me.

Mr. McKELLAR. Yes.

Mr. WHITE. Can the Senator tell me whether since the veto message was received this subject matter has had further consideration in the Committee on Claims?

Mr. McKELLAR. Yes, it has.

Mr. ELLENDER. Mr. President, will the Senator permit me to make a statement?

Mr. McKELLAR. Yes, I yield to the Senator from Louisiana.

Mr. ELLENDER. Mr. President, I may say that the Committee on Claims gave consideration to the original bill introduced by the Senator from Tennessee. We have pending before our committee quite a number of claims for refunds of taxes, and the President in the past has always vetoed such claim bills; but when this claim came before the committee we gave it due consideration and felt that it deserved to be accepted from the general rule.

It will be noted that the President's veto message is the stereotyped form of veto message. It is a similar type of message, except as it relates to the facts, to those which have heretofore been sent to the Congress in connection with claims for refunds of taxes.

Mr. President, what caused the committee, after a consideration of the veto message, to take up this matter was the equity that existed in this case. Here was the claimant who was called upon to pay inheritance tax to the Federal Government as well as to the State of Tennessee within 1 year after the death of Mrs. Hamilton. She followed the law in that respect. It was not until July of 1934, only 4 months before the 3-year statute of limitation expired, that suit was filed under the old will.

Mr. BUSHFIELD. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. BUSHFIELD. For the information of the Senate in considering this claim I should like to have the Senator explain from what ancestor this property originally came.

Mr. ELLENDER. From what ancestor?

Mr. BUSHFIELD. Yes. I understood the name of the mother of the administratrix was Mrs. Hamilton.

Mr. ELLENDER. Yes; Mrs. Hamilton. She had no children, but she had this adopted daughter, Mrs. Karsch.

Mr. McKELLAR. Mr. President, I shall be glad to answer the question if the Senator will permit me.

Mr. ELLENDER. Yes.

Mr. McKELLAR. Mrs. Hamilton was a daughter of a school teacher whose name was Eugene McGivney, who over 100 years ago taught school for many years in the then little town of Memphis. He bought a schoolhouse lot outside the city limits, which is now in the heart of the city, and that in itself shows what progress has been made in the growth of the city. The increase in the value of that schoolhouse lot was what caused the property which was given to Mrs. Hamilton to be of such value.

Her maiden name was Kate McGivney. She and her sister inherited the property from their father, and she thought that her sister died without will, and that she owned all the property.

Mr. BUSHFIELD. Under the probate proceeding in Tennessee who received this property?

Mr. McKELLAR. Under the probate proceedings?

Mr. BUSHFIELD. I understood the Senator to say that the estate was probated first in Tennessee, and that someone received the property. Who was it?

Mr. McKELLAR. Mrs. Karsch received the property.

Mr. ELLENDER. The adopted daughter.

Mr. BUSHFIELD. Mrs. Karsch?

Mr. McKELLAR. Yes, who was the adopted daughter of Mrs. Hamilton.

Mr. BUSHFIELD. The property came then from Mrs. Hamilton to Mrs. Karsch?

Mr. McKELLAR. Yes.

Mr. BUSHFIELD. Did not the probate proceedings in Tennessee show that Mrs. Hamilton had the sister in Texas?

Mr. McKELLAR. No. She had been dead many years, and had left a will in Texas of which Mrs. Hamilton had never heard. No one in Memphis had ever heard of it until it turned up in the year 1934, to the surprise of everyone.

Mr. BUSHFIELD. Did Mrs. Hamilton die intestate?

Mr. McKELLAR. She died intestate, yes.

Mr. BUSHFIELD. And no reference was made to the deceased sister in the petition for probate?

Mr. McKELLAR. No.

Mr. BUSHFIELD. I thank the Senator.

Mr. ELLENDER. Mr. President, as I stated, the suit under the old will was filed in July of 1934, only 4 months before the 3-year period in which to file claim for refund of the tax expired.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. ELLENDER. Yes.

Mr. FERGUSON. Who does the administratrix under the law of Tennessee in effect represent? Was this real estate?

Mr. McKELLAR. It was. She was the administratrix of the estate, and she thought she inherited the real estate from the mother who had adopted her.

Mr. FERGUSON. So that is the fact which made it inconsistent to file suit and ask for the refund. She would have then been admitting that the institution was entitled to the property, and not the administratrix?

Mr. McKELLAR. That is what her lawyers thought; yes.

Mr. ELLENDER. Yes, Mr. President, that is correct. Then, as the Senator from Tennessee has pointed out, two courts decided in favor of Mrs. Karsch, and it was only on an appeal by writ of certiorari to the Supreme Court that the Supreme Court considered the case.

Mr. McKELLAR. It was not even an appeal. It was a petition for certiorari.

Mr. FERGUSON. So we have the situation, then, of an administratrix, in effect, representing two interests: those of the real owner of the property and those of herself, she thinking she was the real owner.

Mr. McKELLAR. Yes.

Mr. FERGUSON. And for that reason she did not file the claim within the statutory period.

Mr. McKELLAR. The Senator is entirely correct about it.

Mr. FERGUSON. And the basis of the present claim for a refund is that the Government has been unjustly enriched; is that correct?

Mr. McKELLAR. Yes.

Mr. TUNNELL. Mr. President, I should like to ask a further question of the Senator from Tennessee. I understood him to say that the amount of tax paid was \$14,000, and that the claim is for \$7,000. Where is the other \$7,000?

Mr. McKELLAR. Fourteen thousand dollars was paid, but she paid the tax on the whole estate, not merely on the half of the estate she eventually received. It was held that the sister's legatee, the Order of the Sacred Heart of the Catholic Church, was entitled to one-half the property on which the administratrix had paid \$7,000.

Mr. TUNNELL. Fourteen thousand dollars was the total tax? Is that correct?

Mr. ELLENDER. Yes; only half of which was really due by Mrs. Karsch.

Mr. McKELLAR. The other half was due, if by anyone, by the Order of the Sacred Heart; but it was never paid by them.

Mr. TUNNELL. I understand. I was on the Claims Committee, and the case seemed to me to be one in which the money should be refunded.

Mr. McKELLAR. Yes; and I understand the report is unanimous.

Mr. TUNNELL. It is.

Mr. McKELLAR. I should like to ask the Senator from Louisiana whether my understanding is correct. I understand there is a unanimous report from the committee, filed after the committee had considered the matter a second time, that the course we are now pursuing should be adopted; that is, they recommended that the veto be overridden.

The VICE PRESIDENT. Has the Senator from Tennessee made a request that the bill be taken up for reconsideration?

Mr. McKELLAR. I thought I had made such a request. If I did not, I ask unanimous consent that it be taken up now.

The VICE PRESIDENT. The clerk will state the bill by title.

Mr. BARKLEY. Mr. President, of course that will not displace the unfinished business.

Mr. McKELLAR. Mr. President, I ask unanimous consent that it not displace the unfinished business.

The VICE PRESIDENT. Is there objection? The Chair hears none. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 514) entitled "An act for the relief of Blanche H. Karsch, administratrix of the estate of Kate E. Hamilton."

The VICE PRESIDENT. Is there objection to the reconsideration of the bill?

There being no objection, the Senate proceeded to reconsider the bill.

The VICE PRESIDENT. The question is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding?

On this question the yeas and nays are required by the Constitution,

Mr. McKELLAR. Mr. President, if the yeas and nays are required, I think a quorum should be present. I make the point of the absence of a quorum, so that all Members of the Senate may be present and may vote.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	George	Robertson
Andrews	Green	Scrugham
Bailey	Guffey	Shipstead
Ball	Gurney	Smith
Barbour	Hatch	Stewart
Barkley	Hawkes	Taft
Bilbo	Hayden	Thomas, Idaho
Bridges	Holman	Thomas, Okla.
Brooks	Johnson, Colo.	Tobey
Buck	Kilgore	Truman
Burton	Langer	Tunnell
Bushfield	Lodge	Tydings
Butler	Lucas	Vandenberg
Capper	McClellan	Van Nuys
Caraway	McFarland	Wagner
Chandler	McKellar	Wallgren
Chavez	Maybank	Walsh
Clark, Mo.	Mead	Wherry
Connally	Moore	White
Danaher	O'Daniel	Wiley
Downey	Overton	Willis
Eastland	Pepper	Wilson
Ellender	Radcliffe	
Ferguson	Revercomb	

Mr. BARKLEY. I announce that the Senator from Washington [Mr. BONE] and the Senator from Virginia [Mr. GLASS] are absent from the Senate because of illness.

The Senator from Nevada [Mr. McCARRAN] is conducting hearings in Western States for the Committee on Public Lands and Surveys and is therefore necessarily absent.

The Senator from Alabama [Mr. HILL] and the Senator from Wyoming [Mr. O'MAHONEY] are detained on important public business.

The Senator from Utah [Mr. MURDOCK] and the Senator from Montana [Mr. MURRAY] are absent on official business.

The Senator from Alabama [Mr. BANKHEAD], the Senator from Virginia [Mr. BYRD], the Senator from Idaho [Mr. CLARK], the Senator from Rhode Island [Mr. GERRY], the Senator from Iowa [Mr. GILLETTE], the Senator from Connecticut [Mr. MALONEY], the Senator from North Carolina [Mr. REYNOLDS], the Senator from Georgia [Mr. RUSSELL], the Senator from Utah [Mr. THOMAS], and the Senator from Montana [Mr. WHEELER] are necessarily absent.

Mr. WHITE. The Senator from Vermont [Mr. AUSTIN] and the Senator from North Dakota [Mr. NYE] are necessarily absent.

The Senator from Oregon [Mr. McNARY] and the Senator from Wisconsin [Mr. LA FOLLETTE] are absent because of illness.

The Senator from Maine [Mr. BREWSTER], the Senator from Pennsylvania [Mr. DAVIS], and the Senator from Colorado [Mr. MILLIKIN] are absent on official business.

The VICE PRESIDENT. Seventy Senators have answered to their names. A quorum is present.

The question is, Shall the bill pass, the objection of the President of the United States to the contrary notwithstanding? The clerk will call the roll.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. McKELLAR. I am glad to yield.

Mr. WHERRY. Question has been raised as to whether there might have been an offset to which the Government was entitled, or whether the Government collected all the tax it was entitled to from the other end of the estate, which is not involved here—the Order of the Sacred Heart. Does the Senator have any knowledge of that?

Mr. McKELLAR. Yes. The Government has collected from the estate everything it is entitled to, and, in addition, a sum slightly in excess of \$7,000, which is the amount proposed to be refunded by the bill.

Mr. WHERRY. I thank the Senator. The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll.

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The Senator from Maine [Mr. BREWSTER], the Senator from Pennsylvania [Mr. DAVIS], and the Senator from Colorado [Mr. MILLIKIN] are absent on official business.

The result was announced—yeas 65, nays 4, as follows:

YEAS—65		
Aiken	Connally	Maybank
Andrews	Downey	Mead
Bailey	Eastland	Moore
Ball	Ellender	O'Daniel
Barbour	Ferguson	Overton
Barkley	George	Pepper
Bilbo	Gurney	Radcliffe
Bridges	Hatch	Revercomb
Brooks	Hayden	Robertson
Buck	Holman	Scrugham
Burton	Johnson, Colo.	Shipstead
Bushfield	Kilgore	Smith
Butler	Langer	Stewart
Capper	Lodge	Taft
Caraway	Lucas	Thomas, Idaho
Chandler	McClellan	Thomas, Okla.
Chavez	McFarland	Truman
Clark, Mo.	McKellar	Tunnell

Tydings	Wallgren	Wiley
Vandenberg	Walsh	Willis
Van Nuys	Wherry	Wilson
Wagner	White	

NAYS—4

Danaher	Guffey	Hawkes
Green		

NOT VOTING—27

Austin	Glass	Murray
Bankhead	Hill	Nye
Bone	Johnson, Calif.	O'Mahoney
Brewster	La Follette	Reed
Byrd	McCarran	Reynolds
Clark, Idaho	McNary	Russell
Davis	Maloney	Thomas, Utah
Gerry	Millikin	Tobey
Gillette	Murdock	Wheeler

So, on reconsideration, two-thirds of the Senators present having voted in the affirmative, the bill was passed, the objections of the President of the United States to the contrary notwithstanding.

Mr. DANAHER subsequently said: Mr. President, before we become too far removed from the subject matter of our latest official action, I wish to make a brief statement.

I talked with various members of the committee from which the bill came which later resulted in the veto and the action which the Senate has just taken to override the veto. I did not wish to obtrude my particular argument upon my colleagues, but I desire the Record to contain a statement of the reasons for my voting as I did.

I find myself in this position: I feel that when there is a statute of limitations, it should be a statute of repose. There should be an end to the business of citizens dealing with the Government, and vice versa. If in a given instance we are to reopen a case on the motion of one who will benefit thereby, it should be open equally for the Government, in turn, to press its claim, if any there be, for an additional levy or tax, as the case might disclose. Therefore, when we find ourselves in the predicament presented by this bill, it seems to me to point to the need for general legislation to take care of hardship cases of a special class, rather than to have the Senate decide ex parte perhaps a thousand cases a year.

Every Senator has had numerous claims presented to him—perhaps a dozen or 15 a year—all of them more or less cogent, and some of them very appealing, pointing out the injustice which has resulted from the operation of the fixed rule of law which is to be found in our statute of limitations. Therefore, Mr. President, I believe that taking individual action on separate cases, with an ex parte presentation on the floor of the Senate, is not the way to reach the problem.

INVESTIGATION OF UNDEVELOPED RESOURCES IN CALIFORNIA

Mr. DOWNEY. Mr. President, I ask unanimous consent for the present consideration of Senate Resolution 205, which is on the calendar. The resolution was approved by the Committee on Irrigation and Reclamation. It provides for the appointment of a subcommittee to investigate, only in the State of California, water, irrigation, and other projects, and calls for no appropriation of money.

The VICE PRESIDENT. Is there objection to the request of the Senator from California?

Mr. WHITE. Mr. President, reserving the right to object, has the Senator at any time discussed the resolution with the senior Senator from California [Mr. JOHNSON]?

Mr. DOWNEY. I have not discussed this particular resolution with him. Several months ago I did discuss with the senior Senator from California the fact that I was expecting to go to California on an investigation. I cannot conceive that he would have the slightest interest or concern in it.

Mr. WHITE. So far as the Senator knows, the senior Senator from California has no objection?

Mr. DOWNEY. That is correct; and I am very positive that he could have no possible concern with it or objection to it.

Mr. WHITE. I have no objection.

Mr. BARKLEY. Mr. President, I should like to ask the Senator from California a question. While the resolution carries no appropriation, is it contemplated that an appropriation will be requested later?

Mr. DOWNEY. No; no appropriation will be requested. The resolution contains this sentence:

The expenses of the committee or subcommittee under this resolution shall not be paid out of or create a charge upon the contingent fund of the Senate.

I can assure our distinguished majority leader that there will be no request for money later.

The PRESIDING OFFICER (Mr. HATCH in the chair). Is there objection to the request of the Senator from California for the present consideration of the resolution?

There being no objection, the resolution (S. Res. 205) submitted by Mr. DOWNEY on November 12, 1943, was considered and agreed to, as follows:

Resolved, That the Committee on Irrigation and Reclamation, or any duly authorized subcommittee thereof, is authorized to make a full and complete investigation in the State of California with respect to (1) the undeveloped irrigation, reclamation, water, power, and all other projects of a public nature with a view to determining the number of workers that might be required in the construction of such projects, the cost involved, and the best manner of financing them, (2) the total amount of unemployment that may be created in the State of California by the termination of the war, and (3) the extent to which the construction of public projects may relieve such unemployment in comparison with the operations of private business and enterprise, and to consider any and all methods that may be deemed advisable in solving post-war problems in the State of California. The committee shall report to the Senate at the earliest practicable date the results of such investigation, together with such recommendations as it may deem advisable.

For the purpose of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate in the Seventy-eighth Congress, and to invite representatives of farm, labor, public, civic, commercial, and other groups in the State of California to participate in and to assist

in such investigation. The expenses of the committee or subcommittee under this resolution shall not be paid out of or create a charge upon the contingent fund of the Senate.

DRAFT DEFERMENT OF SENATE EMPLOYEES

Mr. MAYBANK. Mr. President, it is not often that I am affected by articles which appear in the newspapers; but in view of some statements which have been made about the Senator from Massachusetts [Mr. LODGE] and myself in the column entitled "The Federal Diary" in the Washington Post of today, I desire to read a portion of the article and make a brief comment.

The article states, in part:

The Senate now has a Draft Deferment Committee, but it doesn't function. Senators LODGE and MAYBANK are members and they joined in writing a bill that set up the committees for the Senate, as well as the executive and judicial agencies. The Senate committee doesn't meet, nor has it set up standards under which Senate employees can get deferred. This has led other Senators to accuse LODGE and MAYBANK of violating their own law by their failure to function.

Mr. President, one of the things I cherish in the short time I have been in Washington is the association with my fellow Members in this body. They have been very kind to me, and no Senator has requested anything.

The President of the Senate appointed me as a member of the committee. The Senator from Massachusetts and I were appointed by the Senator from Arizona [Mr. HAYDEN] to prepare the legislation after we learned in the Appropriations Committee that there were hundreds of young men employed by the Federal Government apparently hiding out in the bureaus in Washington because they were employed by the Federal Government. The bill became a law. As a member of the committee, of which the Senator from Utah [Mr. THOMAS] is chairman, I have attended every meeting which has been called. It is true that we have set up no standards to defer, in general, the employees of the Senate or departments, but we are ready to hear any individual case which may be brought to our attention. Only last week one individual case was brought to our attention—that of a man doing valuable work who was selected for limited service. Upon the basis of an affidavit and a letter from General Ulio and because of his physical disability, we requested his deferment.

At the same time, Mr. President, two or three pages of names of men were brought to us with the request that we ask that they not be reclassified in I-A. This was refused. My attitude with reference to the employees of the Senate, or the employees of the Government, is that they should be treated just the same as the employees of individuals. Under certain circumstances they are entitled to the same deferments to which private employees are entitled. But certainly, Mr. President, no Government employee is entitled to any preference over any nongovernmental employee in any State of the Union.

Mr. President, it is my opinion that the bill which we were fortunate in having unanimously passed by the Senate has perhaps put into the service of their country some of those in the Government departments in Washington, to whom reference has been made in reports and otherwise, who have been in the service of the Government at the taxpayers' expense.

However, I wish there to be no misunderstanding in connection with many faithful Government employees. As I said some time ago when I introduced in this body records bearing upon the subject, there are many, many Government employees deserving commendation. But, Mr. President, in fairness at last many of those, as shown by the reports, who deserve little consideration are on their way to where the other boys in this country are gladly serving.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER (Mr. HATCH in the chair). If there be no reports of committees, the clerk will proceed to state the nominations on the Executive Calendar.

COLLECTOR OF CUSTOMS—ELAINE BEADLING

Mr. GEORGE. Mr. President, earlier in the day the nomination of Elaine Beadling to be collector of customs, collection district No. 12, was favorably reported from the Committee on Finance. The Treasury Department has indicated a necessity for the immediate consideration of the nomination. Inasmuch as the Department has so expressed itself, I understand that the Senator from Maine has said that he will lodge no objection to immediate action on the nomination.

Mr. WHITE. Mr. President, I understand that the situation is an emergency one. It is my understanding that the collector has died or retired.

Mr. GEORGE. No; he has resigned.

Mr. WHITE. I suppose that in a district of such great importance it is highly necessary that there should be a collector of customs, and I have no objection to the present consideration of the nomination.

Mr. GEORGE. Mr. President, I ask unanimous consent that the Senate proceed to consider the nomination.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the clerk will state the nomination.

The legislative clerk read the nomination of Elaine Beadling to be collector of customs for customs collection district No. 12.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The clerk will proceed to state the nominations on the calendar.

POSTMASTER AT ARTHUR, N. DAK.

The legislative clerk read the nomination of Elizabeth B. Scott to be postmaster at Arthur, N. Dak., which had previously been passed over.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

SECURITIES AND EXCHANGE COMMISSION

The legislative clerk read the nomination of Robert Kendall McConnaughey to be a member of the Securities and Exchange Commission.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the postmaster nominations are confirmed en bloc.

That completes the calendar.

Mr. BARKLEY. I ask unanimous consent that the President be notified of all nominations confirmed today.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

RECESS TO MONDAY

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until next Monday at 12 o'clock noon.

The motion was agreed to; and (at 1 o'clock and 55 minutes p. m.) the Senate took a recess until Monday, November 22, 1943, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate November 18, 1943:

FOREIGN SERVICE

Ray Atherton to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Canada.

SECURITIES AND EXCHANGE COMMISSION

Robert Kendall McConnaughey to be a member of the Securities and Exchange Commission.

COLLECTOR OF CUSTOMS

Elaine Beadling to be collector of customs for customs collection district No. 12, with headquarters at Pittsburgh, Pa.

POSTMASTERS

FLORIDA

Julia S. Wheeler, Ormond Beach.

MISSISSIPPI

Ruby M. Summers, Saucier.

NORTH DAKOTA

Elizabeth B. Scott, Arthur.

OKLAHOMA

Ralph D. Kester, Enid.

HOUSE OF REPRESENTATIVES

THURSDAY, NOVEMBER 18, 1943

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

God be merciful unto us and bless us and cause His face to shine upon us that Thy way may be known upon earth, Thy saving health among all nations. Let the people praise Thee, O God, let all the people praise Thee. O let the na-

tions be glad and sing for joy for Thou shalt judge the people righteously and govern the nations upon earth. Let the people praise Thee, O God, let all the people praise Thee, then shall the earth yield her increase and God, even our own God, shall bless us, God shall bless us, and all the ends of the earth shall fear Him.

Now let us all join in the Lord's Prayer:

Our Father who art in heaven, hallowed be Thy name. Thy kingdom come, Thy will be done in earth as it is in heaven. Give us this day our daily bread and forgive us our trespasses as we forgive those who trespass against us and lead us not into temptation, but deliver us from evil; for Thine is the kingdom and the power and the glory forever. Amen.

The Journal of the proceedings of yesterday was read and approved.

EXTENSION OF REMARKS

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a newspaper article.

The SPEAKER. Is there objection? There was no objection.

RECESS

The SPEAKER. The House will stand in recess, subject to call.

Accordingly (at 12 o'clock and 5 minutes p. m.) the House stood in recess.

The joint meeting of the two Houses was called to order by the Speaker at 12 o'clock and 25 minutes p. m.

The Doorkeeper, Mr. Ralph R. Roberts, announced the Vice President and Members of the Senate.

The Senate, preceded by the Vice President and by their Secretary and Sergeant at Arms, entered the Chamber.

The Vice President took the chair at the right of the Speaker and the Members of the Senate took the seats reserved for them.

The SPEAKER. On the part of the House, the Chair appoints as a committee to escort our distinguished guest to the Chamber the gentleman from Massachusetts [Mr. McCORMACK], the gentleman from Massachusetts [Mr. MARTIN], and the gentleman from New York [Mr. BLOOM].

The VICE PRESIDENT. On the part of the Senate, the Chair appoints as a committee to escort the Secretary of State into the Chamber the Senator from Kentucky [Mr. BARKLEY], the Senator from Maine [Mr. WHITE], and the Senator from Texas [Mr. CONNALLY].

At 12 o'clock and 30 minutes p. m. the Doorkeeper, Mr. Ralph R. Roberts, announced the members of the President's Cabinet, who entered the Chamber and took the seats reserved for them.

At 12 o'clock and 31 minutes p. m., the Secretary of State, Mr. Cordell Hull, escorted by the committee of Senators and Representatives, entered the Hall of the House and stood at the Clerk's desk.

The SPEAKER. Members of the Senate and the House of Representatives, it gives me great pleasure to welcome

back to this Chamber one of its most distinguished ex-members. It was here he began a career that has led to worldwide fame. By his great work at Moscow, in my humble opinion, he has interpreted the inarticulate longings of millions here and of millions over there who, through fear today, cannot speak for themselves. It is my great pleasure, and my high privilege to present to you the Secretary of State, Mr. Cordell Hull.

Mr. SECRETARY HULL. Mr. President, Mr. Speaker, I am immensely gratified to be back in these Legislative Halls and again meet numerous friends, old and new, and especially former colleagues in the two Houses, for each of whom I have long entertained sentiments of great respect and genuine affection. I appreciate deeply the high compliment of being invited to meet with you today. But I appreciate even more the fact that, by your invitation, you have emphasized your profound interest in the principles and policies for which the Moscow Conference stood, and in the progress made by the participating governments in carrying them forward.

In the minds of all of us here present, and of the millions of Americans all over the country, and at battle stations across the seas, there is and there can be, at this moment, but one consuming thought—to defeat the enemy as speedily as possible. We have reached a stage in the war in which the United Nations are on the offensive in every part of the world. Our enemies are suffering defeat after defeat. The time will come when their desperate movement to destroy the world will be utterly crushed. But there are in store for us still enormous hardships and vast sacrifices. The attainment of victory will be hastened only in proportion as all of us, in this country and in all of the United Nations, continue to exert all possible effort to press home our advantage without the slightest relaxation or deviation.

The glorious successes which have already attended our arms and the confidence which we all feel today in assured, though still immensely difficult, victory would have been impossible if this country and Great Britain and the Soviet Union and China and the other victims of aggression had not each risen as a unit in defense of its liberty and independence. They would have been equally impossible if all these nations had not come together in a brotherhood of self-preservation.

While we are thus engaged in the task of winning the war, all of us are acutely conscious of the fact that the fruits of our victory can easily be lost unless there is among us wholehearted acceptance of those basic principles and policies which will render impossible a repetition of our present tragedy, and unless there is promptly created machinery of action necessary to carry out these principles and policies. The Moscow Conference is believed to have been an important step in the direction both of shortening the war and of making provision for the future.

The convocation of the conference was the result of a profound conviction on

the part of President Roosevelt, Prime Minister Churchill, and Marshal Stalin that, at this state of the war, frank and friendly exchanges of views between responsible representatives of their three Governments on problems of post-war, as well as war, collaboration were a matter of great urgency. Up to that time such exchanges of views had taken place on several occasions between our Government and that of Great Britain. But the exigencies of war had been obstacles to the participation of the Soviet Government in similar exchanges to the same extent. With the acceleration of the tempo of war against Germany, the necessity became daily more and more apparent for more far-reaching discussions and decisions by the three Governments than had occurred theretofore.

I went to Moscow, by direction of President Roosevelt, to discuss with the representatives of Great Britain and the Soviet Union some basic problems of international relations in the light of principles to which our country, under the President's leadership, has come to give widespread adherence. It has never been my fortune to attend an international conference at which there was greater determination on the part of all the participants to move forward in a spirit of mutual understanding and confidence.

The conference met against the background of a rapidly changing military situation. From the east and from the south, the Nazi armies were being steadily hammered back into narrower and narrower confines. From the west, the Allied air forces were relentlessly and systematically destroying the nerve centers of German industrial and military power.

Formidable as the war task still is, it has been increasingly clear that the time is nearing when more and more of the territory held by the enemy will be wrested from his grasp, and when Germany and its remaining satellites will have to go the way of Fascist Italy. In these circumstances, new problems arise which require concerted action by the Allies—to hasten the end of the war, to plan for its immediate aftermath, and to lay the foundation for the post-war world. Our discussions in Moscow were concerned with many of these problems. Important agreements were reached; but there were no secret agreements, and none was suggested.

Of the military discussions which took place it can be stated that they were in the direction of facilitating closer cooperation between the three countries in the prosecution of the war against the common enemy. I am glad to say that there is now in Moscow a highly competent United States Military Mission, headed by Maj. Gen. John R. Deane.

The attention of the conference was centered upon the task of making sure that the nations, upon whose armed forces and civilian efforts rests the main responsibility for defeating the enemy, will, along with other peacefully minded nations, continue to perform their full part in solving the numerous and vexatious problems of the future. From the outset, the dominant thought at the con-

ference was that, after the attainment of victory, cooperation among peace-loving nations in support of certain paramount mutual interests will be almost as compelling in importance and necessity as it is today in support of the war effort.

At the end of the war, each of the United Nations and each of the nations associated with them, will have the same common interest in national security, in world order under law, in peace, in the full promotion of the political, economic, and social welfare of their respective peoples—in the principles and spirit of the Atlantic Charter and the declaration by United Nations. The future of these indispensable common interests depends absolutely upon international cooperation. Hence, each nation's own primary interest requires it to cooperate with the others.

These considerations led the Moscow Conference to adopt the four-nation declaration, with which you are all familiar. I should like to comment briefly on its main provisions.

In that document it was jointly declared by the United States, Great Britain, the Soviet Union, and China "that their united action, pledged for the prosecution of the war against their common enemies, will be continued for the organization and maintenance of peace and security."

To this end, the four governments declared that they "recognize the necessity of establishing at the earliest practicable date a general international organization, based on the principle of the sovereign equality of all peace-loving states and open to membership by all such states, large and small." I should like to lay particular stress on this provision of the declaration. The principle of sovereign equality of all peace-loving states, irrespective of size and strength, as partners in a future system of general security will be the foundation stone upon which the future international organization will be constructed.

The adoption of this principle was particularly welcome to us. Nowhere has the conception of sovereign equality been applied more widely in recent years than in the American family of nations, whose contribution to the common effort in wartime will now be followed by representation in building the institutions of peace.

The four governments further agreed that, pending the inauguration in this manner of a permanent system of general security, "they will consult with one another and as occasion requires with other members of the United Nations with a view to joint action on behalf of the community of nations" whenever such action may be necessary for the purpose of maintaining international peace and security.

Finally, as an important self-denying ordinance, they declared "that after the termination of hostilities they will not employ their forces within the territories of other states except for the purposes envisaged in this declaration and after joint consultation."

Through this declaration, the Soviet Union, Great Britain, the United States, and China have laid the foundation for

cooperative effort in the post-war world toward enabling all peace-loving nations, large and small, to live in peace and security, to preserve the liberties and rights of civilized existence, and to enjoy expanded opportunities and facilities for economic, social, and spiritual progress. No other important nations anywhere have more in common in the present war or in the peace that is to follow victory over the Axis Powers. No one, no two of them can be most effective without the others, in war or in peace.

Each of them had, in the past, relied in varying degrees upon policies of detachment and aloofness. In Moscow, their four governments pledged themselves to carry forward to its fullest development a broad and progressive program of international cooperation. This action was of world-wide importance.

As the provisions of the four-nation declaration are carried into effect, there will no longer be need for spheres of influence, for alliances, for balance of power, or any other of the special arrangements through which, in the unhappy past, the nations strove to safeguard their security or to promote their interests.

The conference faced many political problems, growing out of the military activities in Europe. It was foreseen that problems of common interest to our three governments will continue to arise as our joint military efforts hasten the defeat of the enemy. It is impracticable for several governments to come to complete and rapid understanding on such matters through the ordinary channels of diplomatic communication. The conference accordingly decided to set up a European Advisory Commission with its seat in London. This Commission will not of itself have executive powers. Its sole function will be to advise the Governments of the United States, Great Britain, and the Soviet Union. It is to deal with nonmilitary problems relating to enemy territories and with such other problems as may be referred to it by the participating governments. It will provide a useful instrument for continuing study and formulation of recommendations concerning questions connected with the termination of hostilities.

For the purpose of dealing with problems arising from the execution of the terms of surrender of Italy and with related matters growing out of the developing situation in that country, the conference established an advisory council for Italy. This council will consist of representatives of the Governments of the United States, Great Britain, and the Soviet Union, of the French Committee of National Liberation, and of the Governments of Yugoslavia and Greece, as early as practicable. The members of the council will advise the Allied commander in chief and will make recommendations to the respective governments and to the French committee concerning nonmilitary problems relating to Italy.

It was clearly understood that the setting up of these two agencies was not intended to supersede the usual diplomatic

channels of communication between the three Governments. On the contrary, arrangements were made for expeditious and effective handling of questions of concern to the three Governments through tripartite diplomatic conversations in any one of the three capitals.

In a declaration on Italy, the conference set forth a number of principles on the basis of which democratic restoration of that country's internal political structure should take place. These principles—including freedom of religion, of speech, of the press, and of assembly, and the right of the people ultimately to choose their own form of government—are among the most basic human rights in civilized society.

In a declaration on Austria, the forcible annexation of that unhappy country was pronounced null and void. It was further declared that Austria is to be given an opportunity to become re-established as a free and independent state, although the Austrians were put on notice that in final analysis the treatment to be accorded them will depend upon the contribution which they will make toward the defeat of Germany and the liberation of their country.

The Conference also served as an occasion for a solemn public declaration by the heads of the three governments with regard to the perpetrators of the bestial and abominable crimes committed by the Nazi leaders against the harassed and persecuted inhabitants of occupied territories—against people of all races and religions, among whom Hitler has reserved for the Jews his most brutal wrath. Due punishment will be administered for all these crimes.

Finally, the Conference gave preliminary attention to a number of other specific problems relating to the eventual transition from war to peace. A fruitful exchange of views took place on such questions as the treatment of Germany and its satellites, the various phases of economic relations, the promotion of social welfare, and the assurance of general security and peace.

These were among the outstanding developments at the Moscow Conference. The intensive discussion, lasting 2 weeks, did not and was not intended to bring about the solution of all the problems that are before us. Much less could we anticipate the problems that are bound to arise from day to day and from year to year. There were other problems, such, for example, as questions relating to boundaries, which must, by their very nature, be left in abeyance until the termination of hostilities. This is in accordance with the position maintained for some time by our Government.

Of supreme importance is the fact that at the Conference, the whole spirit of international cooperation, now and after the war, was revitalized and given practical expression. The Conference thus launched a forward movement which, I am firmly convinced, will steadily extend in scope and effectiveness. Within the framework of that movement, in the atmosphere of mutual understanding and confidence which made possible its beginning in Moscow, many of the prob-

lems which are difficult today will, as time goes on, undoubtedly become more possible of satisfactory solution through frank and friendly discussion.

I am happy on this occasion to pay personal tribute to those with whom it was my privilege to confer in Moscow. Mr. Molotov arranged for the business of the conference in a most efficient manner. Both as chairman and participant, he manifested throughout the highest order of ability and a profound grasp of international affairs. Mr. Eden, with his exceptional wisdom and experience, exhibited the finest qualities of statesmanship. I found in Marshal Stalin a remarkable personality, one of the great statesmen and leaders of this age.

I was deeply impressed by the people of Russia and by the epic quality of their patriotic fervor. A people who will fight against ruthless aggression, in utter contempt of death, as the men and women of the Soviet Union are fighting, merit the admiration and good will of the peoples of all countries.

We of today shall be judged in the future by the manner in which we meet the unprecedented responsibilities that rest upon us—not alone in winning the war, but also in making certain that the opportunities for future peace and security shall not be lost. As an American, I am proud of the breadth and height of the vision and statesmanship which has moved you, ladies and gentlemen, in each House of the Congress, to adopt, by overwhelming nonpartisan majorities, resolutions in favor of our country's participation with other sovereign nations in an effective system of international cooperation for the maintenance of peace and security.

Only by carrying forward such a program with common determination and united national support, can we expect, in the long range of the future, to avoid becoming victims of destructive forces of international anarchy which in the absence of organized international relations will rule the world. By the procedure of cooperation with other nations likewise intent upon security, we can and will remain masters of our own fate.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 1 o'clock and 19 minutes p. m.

PROCEEDINGS DURING THE RECESS

The SPEAKER. Without objection, the proceedings occurring during the recess of the House will be printed in the RECORD.

There was no objection.

EXTENSION OF REMARKS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include some excerpts from an article by Westbrook Pegler.

The SPEAKER. Is there objection?

There was no objection.

Mr. CASE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances.

The SPEAKER. Is there objection?

There was no objection.

Mr. SULLIVAN. Mr. Speaker, I ask unanimous consent to extend my remarks and include an editorial from the Washington Post.

The SPEAKER. Is there objection? There was no objection.

Mr. CLASON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a letter received by me.

The SPEAKER. Is there objection? There was no objection.

Mr. POULSON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include a statement by Vice President Osmeña, of the Philippines.

The SPEAKER. Is there objection? There was no objection.

Mr. TALLE. Mr. Speaker, I ask unanimous consent to extend my remarks and include a speech on John Hanson made by a constituent residing in my home county.

The SPEAKER. Is there objection? There was no objection.

Mr. BISHOP. Mr. Speaker, I ask unanimous consent to extend my remarks in the CONGRESSIONAL RECORD on the new pay schedule. And I am also inserting a table which gives the amount of money paid to the dependents.

The SPEAKER. Is there objection? There was no objection.

Mr. BENDER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a resolution adopted by the Sons of Italy.

The SPEAKER. Is there objection? There was no objection.

Mr. RAMEY. Mr. Speaker, I ask unanimous consent to extend my remarks and include an editorial from the Toledo Times in regard to aviation, under date of November 14.

The SPEAKER. Is there objection? There was no objection.

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Virginia [Mr. BLAND] may extend his remarks and include a copy of an Executive order.

The SPEAKER. Is there objection? There was no objection.

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein two speeches that I made in my district.

The SPEAKER. Is there objection? There was no objection.

AMENDING THE SELECTIVE TRAINING AND SERVICE ACT OF 1940

Mr. MAY. Mr. Speaker, I call up the conference report on the bill (S. 763) amending the Selective Training and Service Act of 1940, as amended, and for other purposes, and I ask unanimous consent that the statement on the part of the managers may be read in lieu of the report.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 763)

amending the Selective Training and Service Act of 1940, as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That section 5 of the Selective Training and Service Act of 1940, as amended, is hereby amended by adding at the end thereof the following new subsections:

"(1) In the case of any registrant whose principal place of employment is located outside the appeal board area in which the local board having jurisdiction over the registrant is located, any occupational deferment under subsection (c) (2) or subsection (e) of this section existing at the date of enactment of this subsection shall within thirty days after such date, and any such occupational deferment made after the date of enactment of this subsection shall within ten days after such deferment is made, be submitted for review and decision to the selective service appeal board having jurisdiction over the area in which is located the principal place of employment of the registrant. Such decision of the appeal board shall be final unless modified or changed by the President, and such decision shall be made public. The President, upon appeal or upon his own motion, shall have power to determine all claims or questions with respect to inclusion for, or exemption or deferment from, training and service under this Act; and the determination of the President shall be final.

"(m) Notwithstanding the provisions of section 4 (b), under such rules and regulations as the President may prescribe, on the basis of the best inventory information available to him at the time of allocating calls, without affecting the usual regular and orderly flow of the Nation's manpower into the armed forces as required for service therein, and in accordance with the requisitions of the land and naval forces and with the other provisions of this Act, registrants shall, on a Nation-wide basis, within the Nation and a State-wide basis within each State, be ordered to report to induction stations in such a manner that registrants, regardless of their occupations or the activities in which they may be engaged, who were married prior to December 8, 1941, who have maintained a bona fide family relationship with their families since that date and who have a child or children under 18 years of age, will be inducted after the induction of other registrants not deferred, exempted, relieved from liability, or postponed from induction under this Act or the rules and regulations prescribed thereunder who are available for induction and are acceptable to the land and naval forces. The term "child" as used in this section means a legitimate child born prior to September 15, 1942, a stepchild, adopted child, foster child, or a person who is in the relationship of child to the registrant, who became such prior to December 8, 1941, who is less than 18 years of age, or who by reason of mental or physical defects is incapable of self-support, who is unmarried, and with whom the registrant has maintained a bona fide family relationship in their home since December 7, 1941, or since the date of birth if such date of birth is later than December 7, 1941: *Provided*, That no individuals shall be called for induction, ordered to report to induction stations, or be inducted because of their occupations, or by occupational groups, or by groups in any plant or institutions, except pursuant to a requisition by the land or naval forces for persons in needed medical professional and specialist categories."

"Sec. 2. (a) Section 10 (a) (2) of such Act, as amended, is amended to read as follows:

"(2) to create and establish a Selective Service System, and shall provide for the classification of registrants and of persons who volunteer for induction under this Act on the basis of availability for training and service, and shall establish within the Selective Service System civilian local boards, civilian appeal boards, and such other agencies, including agencies of appeal, as may be necessary to carry out the provisions of this Act. There shall be created one or more local boards in each county or political subdivision corresponding thereto of each State, Territory, and the District of Columbia. Each local board shall consist of three or more members to be appointed by the President, from recommendations made by the respective Governors or comparable executive officials. No member of any such local board shall be a member of the land or naval forces of the United States, but each member of any such local board shall be a civilian who is a citizen of the United States residing in the county or political subdivision corresponding thereto in which such local board has jurisdiction under rules and regulations prescribed by the President. Such local boards, under rules and regulations prescribed by the President, shall have power within their respective jurisdictions to hear and determine, subject to the right of appeal to the appeal boards herein authorized all questions or claims with respect to inclusion for, or exemption or deferment from, training and service under this Act of all individuals within the jurisdiction of such local boards. The decisions of such local boards shall be final except where an appeal is authorized and is taken in accordance with such rules and regulations as the President may prescribe. Appeal boards within the Selective Service System shall be composed of civilians who are citizens of the United States. The decision of such appeal boards shall be final in cases before them on appeal unless modified or changed by the President as provided in the last sentence of section 5 (1) of this Act. No person who is an officer, member, agent, or employee of the Selective Service System, or of any such local or appeal board or other agency, shall be excepted from registration, or deferred from training and service, as provided for in this Act, by reason of his status as such officer, member, agent, or employee."

"(b) Section 10 (a) (3) of such Act, as amended, is amended to read as follows:

"(3) to appoint, by and with the advice and consent of the Senate, and fix the compensation of at a rate not in excess of \$10,000 per annum, a Director of Selective Service who shall be directly responsible to him and to appoint and fix the compensation of such other officers, agents, and employees as he may deem necessary to carry out the provisions of this Act: *Provided*, That any officer on the active or retired list of the Army, Navy, Marine Corps, or Coast Guard, or of any reserve component thereof or any officer or employee of any department or agency of the United States who may be assigned or detailed to any office or position to carry out the provisions of this Act (except to offices or positions on local boards or appeal boards established or created pursuant to section 10 (a) (2)) may serve in and perform the functions of such office or position without loss of or prejudice to his status as such officer in the Army, Navy, Marine Corps, or Coast Guard or reserve component thereof, or as such officer or employee in any department or agency of the United States: *Provided further*, That any person so appointed, assigned, or detailed to a position the compensation in respect of which is at a rate in excess of \$5,000 per annum shall be appointed, assigned, or detailed by and with the advice and consent of the Senate: *Provided further*, That the President may appoint necessary clerical and stenographic employees for local boards and fix their compensation without regard to the Classification Act of 1923, as amended."

"SEC. 3. Section 10 (b) of such Act, as amended, is amended to read as follows:

"(b) The President is authorized to delegate to the Director of Selective Service only, any authority vested in him under this Act (except section 9). The Director of Selective Service may delegate and provide for the delegation of any authority so delegated to him by the President and any other authority vested in him under this Act, to such officers, agents, or persons as he may designate or appoint for such purpose or as may be designated or appointed for such purpose pursuant to such rules and regulations as he may prescribe."

"SEC. 4. Section 10 of such Act, as amended, is amended by adding at the end thereof the following new subsection:

"(e) In order to assist in the determination of whether or not men should be deferred from training and service because they are physically, mentally, or morally deficient or defective, and to delay as long as possible the induction of men living with their families, the President is authorized and directed forthwith to appoint a commission of five qualified physicians, of whom one only shall be an Army officer and one only a Navy officer, and the three remaining members shall be qualified civilian physicians not employed by the Federal Government, who shall examine the physical, mental, and moral qualification requirements for admission to the Army, Navy, and Marine Corps, and recommend to the President any changes therein which they believe can be made without impairing the efficiency of the armed services. The commission shall especially consider the establishment of special standards for men who will be inducted only for limited service. The Director of Selective Service shall cause to be reexamined those men, including those previously discharged from the armed services because of physical disability, who may qualify under any new standards established."

"SEC. 5. Any registrant within the categories herein defined when it appears that his induction will shortly occur shall, upon request, be ordered by his local board in accordance with schedules authorized by the Secretary of War, the Secretary of the Navy, and the Director of Selective Service, to any regularly established induction station for a pre-induction physical examination, subject to reexaminations.

"The commanding officer of such induction station where such physical examination is conducted under this provision shall issue to the registrant a certificate showing his physical fitness or lack thereof, and this examination shall be accepted by the local board, subject to periodic reexamination. Those registrants who are classified as I-A at the time of such physical examination and who are found physically qualified for military service as a result thereof, shall remain so classified and report for induction in regular order.

"SEC. 6. The Director of Selective Service shall obtain full and complete information from the various agencies, departments, and branches of the Federal Government, and from other sources, concerning requests for deferment, deferments, exemptions, rejections, discharges, inductions, enlistments, replacement schedules, and other matters with respect to registrants, whether or not they are members of the armed forces, or whether or not they are Government or private employees; and he shall report that information, together with the manner in which the provisions of the Selective Training and Service Act of 1940, as amended, are being administered, to the Senate and House Committees on Military Affairs monthly or at such intervals as the Committees may designate from time to time.

"SEC. 7. Except as provided in this Act, all laws and parts of laws in conflict with the provisions of this Act are hereby suspended

to the extent of such conflict for the period in which this Act shall be in force."

And the House agree to the same.

ANDREW J. MAY,
EWING THOMASON,
PAUL J. KILDAY,
LESLIE C. ARENDS,
CHAS. H. ELSTON,
FOREST A. HARNES,

Managers on the part of the House.

ROBT. R. REYNOLDS,
EDWIN C. JOHNSON,
LISTER HILL,
WARREN R. AUSTIN,
STYLES BRIDGES,
CHAN GURNEY,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 763) amending the Selective Training and Service Act of 1940, as amended, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The first section of the Senate bill and the first section of the House amendment add several new subsections to section 5 of the Selective Training and Service Act of 1940, as amended. The first of these subsections in the Senate bill (subsection (m)) contains a prohibition against the employment by, or retaining in the employment of, the Federal Government any registrant between the ages of 18 and 38 who is deferred on occupational grounds, unless such registrant is a father or his services in his Federal position have been duly certified to be indispensable. This subsection also contained a prohibition against the deferment on occupational grounds of any registrant between the ages of 18 and 38 who is employed by any employer other than the Federal Government, unless such registrant is a father or his services in the position in which he is employed have been certified by his employer to be indispensable. The House amendment did not contain any provisions comparable to this subsection, and no such provisions are contained in the conference agreement.

Subsection (n) in the Senate bill related to registrants whose principal place of employment is located outside the appeal board area of his local board, and provided for the review of occupational deferments of such registrants by the appeal board having jurisdiction over the area where the registrant's principal place of employment is located. The decision of such appeal board was to be final unless modified or changed by the Director of Selective Service. The subsection also provided that the Director should have power to determine all questions with respect to inclusion for, or exemption or deferment from, training and service under the act. Subsection (l) in the House amendment contained similar provisions, but required that the decisions of the appeal boards in cases referred to above should be made public. The conference agreement follows the House amendment in this respect and modifies the subsection so as to vest in the President the power to modify or change such decisions of the appeal boards and to determine claims or questions with respect to inclusion for, or exemption or deferment from, training and service. The powers so vested in the President will be subject to delegation by him to the Director of Selective Service in accordance with the provisions of section 10 (b), which are discussed later in this report.

Subsection (o) in the Senate bill contained provisions comparable to subsection (m) in the House amendment. The purpose of the provisions in the Senate bill was to provide that to the fullest extent practicable the induction of registrants who are fathers should

be postponed until after the induction of registrants who are not fathers and are not otherwise deferred. The Senate bill also contained a definition of the term child to be used for the purpose of determining who should be considered fathers for the purposes of this section. The comparable provisions in the House amendment contained a number of changes in the Senate language designed to require stricter compliance with the policy stated in the subsection, and made a clarifying change in the definition of the term "child." Subsection (m) in the conference agreement contains the House language with certain modifying changes. The first of these changes is for the purpose of making it clear that this subsection, to the extent that it is inconsistent with the quota provisions contained in section 4 (b) of the act, supersedes such quota provisions. The subsection as contained in the conference agreement provides that under such rules and regulations as the President may prescribe, and on the basis of the best inventory information available to him, without affecting the usual regular and orderly flow of manpower into the armed forces as required for service therein, and in accordance with the requisitions of such forces and with the other provisions of the act, registrants shall, on a Nation-wide basis within the Nation, and a State-wide basis within each State, be ordered to report to induction stations in such a manner that registrants, regardless of their occupations or the activities in which they may be engaged, who were married prior to December 8, 1941, who have maintained a bona fide family relationship with their families since that date and who have a child or children under 18 years of age, will be inducted after the induction of other registrants not deferred, exempted, relieved from liability, or postponed from induction under this act or the rules and regulations prescribed thereunder who are available for induction and are acceptable to the land and naval forces.

The House amendment added at the end of this subsection a provision not contained in the Senate bill, which provided that no individuals should be called for induction, ordered to report to induction stations, or be inducted, because of their occupations, or by occupational groups, or by groups in any plant or institutions. This provision will do away with the so-called nondeferable orders which distinguish between persons in the same status with respect to dependents merely because of differences in occupations. It does not abolish class II occupational deferments and the distinctions resulting from such deferments, but it does prevent registrants in a given occupation from being inducted in advance of the time they would otherwise be inducted, merely because of their occupation. The conference agreement retains this provision with an exception which will make it inapplicable in the case of a requisition by the land or naval forces for persons in needed medical professional and specialist categories, such as physicians, dentists, nurses, pharmacists, medical technicians, and other professional persons or specialists in medical fields.

Section 2 of the House amendment contained provisions not contained in the Senate bill, which amended paragraphs (2) and (3) of section 10 (a) of the act for the purpose of clarifying existing law with respect to the eligibility of persons other than civilians for service connected with agencies of appeal, other than appeal boards. The conference agreement follows the House amendment in this respect.

Section 2 of the Senate bill amended section 10 (b) of the Act so as to authorize the President to delegate to the Director of Selective Service any authority vested in the President under the Act, except section 9, and to authorize the Director to delegate or provide for the delegation of authority vested

in him to other officers, agents, or persons. The corresponding provision of the House amendment (sec. 3) was the same as the Senate provision except that it authorized and directed the President to delegate to the Director all authority vested in the President under the Act, except section 9 or section 10 (a) (3). The conference agreement authorizes the President to delegate to the Director of Selective Service only any authority vested in the President under the Act (except sec. 9). This provision (together with sec. 7 of the conference agreement, which suspends laws in conflict with the provisions of this Act to the extent of such conflict) means that all authority vested in the President under the Selective Training and Service Act (except sec. 9) will, notwithstanding the provisions of any other law, after the date of this amendatory Act, be exercised by the President personally, or by the Director of Selective Service under delegation from the President subject to further delegation by the Director.

Section 3 of the Senate bill added a new subsection to section 10 of the Act. This subsection provided for the appointment of a commission of qualified physicians to examine the physical qualification requirements for admission to the armed forces and recommend to the President changes which they believe should be made in such standards. The subsection also provided for the reexamination of men who might qualify under any new standards. Section 4 of the House amendment contained similar provision but provided that only one member of the commission should be an Army officer and only one a Navy officer, and the other civilian physicians not employed by the Federal Government. The conference agreement (sec. 4) is the same as section 4 of the House amendment, except for a clarifying change to indicate that the commission shall examine mental and moral, as well as physical, qualification requirements.

Section 4 of the Senate bill provided for preinduction physical examinations at induction centers for registrants when it appeared that their induction would shortly occur. The House amendment (sec. 5) contained similar provisions with certain changes of an administrative and clarifying nature. Section 5 of the conference agreement follows the language of the House amendment, with further clarifying changes. Under the conference agreement the preinduction physical examinations will be given at regularly established induction stations, in accordance with schedules authorized by the Secretary of War, the Secretary of the Navy, and the Director of Selective Service. The results of such examinations are to be accepted by the local boards for the purpose of determining whether or not registrants are physically qualified for service, but any registrant who has been given such an examination will be subject to reexamination, from time to time, and the determination as to his physical qualification or lack thereof may be changed as the result of any such reexamination. Registrants who are in class I-A when they take the preinduction physical examination, and who are found physically qualified for military service as a result thereof, will remain so classified and report for induction in regular order.

Section 6 of the House amendment contained provisions, not in the Senate bill, directing the Director of Selective Service to obtain information from the various governmental agencies concerning requests for deferments, exemptions, rejections, and replacement schedules, of registrants employed by the Federal Government, and to report thereon to the Senate and House Committees on Military Affairs. This section is retained in the conference agreement with some modifying and clarifying changes. It is contemplated that these reports will be made informally and personally by the Direc-

tor or one of his representatives, and will be oral or written according to the desires of the respective committees.

Section 7 of the House amendment provided that all provisions of law in conflict with the provisions of this act should be suspended to the extent of such conflict. This section is retained in the conference agreement.

Sections 5 to 16, inclusive, of the Senate bill amended the existing law relating to servicemen's dependents allowances. There were no comparable provisions in the House amendment. The subject matter to which these sections related has been dealt with in the bill (S. 1279) which has been enacted into law since the present bill passed the Senate. Consequently, these provisions are omitted from the conference agreement.

ANDREW J. MAY,
EWING THOMASON,
PAUL J. KILDAY,
LESLIE C. ARENDS,
CHAS. H. ELSTON,
FOREST A. HARNESSE,

Managers on the part of the House.

Mr. MAY. Mr. Speaker, I yield 10 minutes to the gentleman from Texas [Mr. KILDAY].

Mr. KILDAY. Mr. Speaker, the conference report follows generally the provisions of the bill as it was passed by the House.

The changes made are not in many instances very substantial, although there are a number of changes in the bill. I believe it would be well to state the principal things which will be accomplished by the bill.

It will carry into effect the provisions for the deferment of fathers until non-fathers have been drafted, practically in accordance with my bill which was passed by the House last spring; the principal difference being that this will relate only to so-called pre-Pearl Harbor fathers rather than create the categories which were contained in that bill.

It will mean that when the Director of Selective Service levies his calls upon the States he will consult the inventory of available men in each State and where that inventory indicates an available supply of non-pre-Pearl Harbor fathers he must allocate his calls to those States in such manner as to draw off those non-pre-Pearl Harbor fathers before he levies calls for fathers; in other words he would go over the Nation levying the call for non-pre-Pearl Harbor fathers. When those are exhausted he could go back over the Nation and levy his call so as to get the balance of the requisition of the armed forces even though it was required to draft pre-Pearl Harbor fathers.

The same system would apply within the States: The State director in levying his call would consult his inventory of local boards and levy it so as to draw off first the non-pre-Pearl Harbor fathers before he levied calls which would require the induction of pre-Pearl Harbor fathers.

Mr. KENNEDY. Mr. Speaker, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from New York.

Mr. KENNEDY. I am anxious to know whether or not a State which has contributed a great many men beyond its proper share would be taxed even further

under this arrangement simply because it happened to have non-pre-Pearl Harbor fathers?

Mr. KILDAY. I doubt if that would result to any substantial extent in view of the present inventories on the subject. Existing law as to quotas among the States is amended to the extent that these calls can be levied on the basis of available manpower.

Mr. PACE. Mr. Speaker, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. PACE. Inasmuch as boys are becoming 18 years of age every day there will naturally be a small supply of single registrants. Would the provisions of this bill require that boys who have recently become 18 be called before they began to call pre-Pearl Harbor fathers?

Mr. KILDAY. All the evidence relating to the size of the armed forces at the end of this calendar year indicates that 446,000 fathers will be necessary to meet the size of the armed forces determined by the high command. The further assumption is that after the first of the year replacements will be practically the draft's levy for the Army. In other words, insofar as you reduce the number taken to make up this 446,000, you reduce them for the extent of the program. Inasmuch as almost a hundred thousand enter the draft pool every month and from this approximately 65,000 members of the armed forces are obtained—approximately 45,000 entering through selective service and 20,000 voluntarily—it is assumed under the present program that this, with the reclassification of the IV-F's which we hope to acquire under this bill, will be sufficient to meet the replacement schedules unless there might be some necessity for revising the present plans of the high command. In addition, it must be remembered that the Navy is now also making requisitions on the Selective Service System.

Mr. CASE. Mr. Speaker, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from South Dakota.

Mr. CASE. I wish to ask the gentleman a question with reference to the first section of the bill. This proposes to transfer appeals from the local board where a man is registered to the appeal board where a man may be employed on the question of his deferment. Is the gentleman satisfied with this provision? It would seem to me this might result in a double draft on those communities where the boys have gone away to work in industries and that the appeal board there will be more impressed by the need of the man for industry than the local appeal board, which would be more impressed by the local manpower problem.

Mr. KILDAY. I believe that from our experience the opposite has been found to be true; in other words we found in Government employ many men holding occupational deferments for whom such deferments had not been asked under the Lodge-Maybank bill; in other words we found the local board more impressed by the man's statement for the need for his deferment and the character of his work than would have been the local board in the place where the man was

employed and which knew the nature of his employment. Many times the deferment had been granted on the mere statement of the deferred man himself. We must remember that this is going to go from the board of the man's residence to the appeal board of his place of employment.

That appeal board is dealing day in and day out with the men registered within its own State and within its own appeal board area; so that when it comes to stressing the importance of the industry with it, you are going to find the opposite to be true, because the members of the appeal board have constantly been forcing their own registrants into the service. If this man from out of the appeal-board area is in a nonessential position I think that board will be quicker to send him into the service, because for every one they unnecessarily defer occupationally they are going to send one of their own men into the armed services.

Mr. CASE. That may be, except if this man is charged against the quota of a local board the appeal board where the industry is located would have no relation to the dislocation or demand for the dislocation in the other area.

Mr. KILDAY. I think the gentleman is under a misapprehension as to the provisions of the bill. The provision does not transfer the case to the appeal board where the man is employed. When the occupational deferment is granted by the board where the man is registered but not employed, there is an automatic appeal to the appeal board of the area in which he is employed. If the appeal board rejects the occupational deferment, then the case goes back to the local board of the registrant's residence and he will be inducted in accordance with the call of the local board where he is registered. He cannot be used to fill the quota of the area in which he is working. He would be a credit on the quota of the local board where he resides.

Mr. CASE. If he is deferred what district would supply the man to take his place?

Mr. KILDAY. It would be a question of the adjustment of the quotas. It is just exactly the same as if he were working in the district where he is registered. It makes no difference at all. The board of his residence must first defer him for occupational reasons before this provision ever goes into effect.

Mr. HINSHAW. Will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from California.

Mr. HINSHAW. I understand there have been hundreds of thousands of men discharged for the convenience of the Government largely because of physical deficiencies and that these men are immediately placed back on the draft rolls. Many of them have been reinducted after having been once discharged. Can the gentleman explain to us how it comes that these men are reinducted after having been discharged for reasons best known to the Army?

Mr. KILDAY. There may be isolated cases. I doubt very much if there are

many such cases and I am not able to explain to the gentleman how those isolated cases may have occurred.

Mr. HINSHAW. Why are they not permanently out when they have been discharged by the Army and the Army has nothing further to do with them?

Mr. KILDAY. They should be; and if they are not, there is an error some place.

Mrs. ROGERS of Massachusetts. Will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Massachusetts.

Mrs. ROGERS of Massachusetts. I cannot help but feel that the fathers who are not taken into the service must be grateful to the WAC's and WAVES. These women have released men from the service so that the fathers may not be taken. One of the WAC's in Africa was given a soldier's medal for bravery because with her bare hands she put out a fire and saved a soldier's life.

Mr. KILDAY. The WAVES and WAC's have replaced men, and are doing an admirable job. The military program is an over-all program. For every WAC and WAVE that goes into the service it becomes unnecessary to draft a man who would otherwise be necessary.

Mr. CURTIS. Will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Nebraska.

Mr. CURTIS. Getting back to the hypothetical case that the gentleman from South Dakota raised in reference to a man working away from his residence and where he is registered. Suppose the local board refuses to defer him, where does he appeal, if he takes one?

Mr. KILDAY. It goes to the regular appeal set-up as at present and the appeal could go to either appeal board. It is just the same as at the present time and the bill makes no change.

Mr. CURTIS. The request for an appeal does not go to the place where he is working?

Mr. KILDAY. It might go to either board as at present under the administrative procedure of the selective-service system.

The SPEAKER. The time of the gentleman has expired.

Mr. MAY. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. ELSTON].

Mr. ELSTON of Ohio. Mr. Speaker, the adoption of this conference report, I believe, will result in a more orderly induction of men into the service than prevails at the present time. It will also eliminate a great deal of the confusion which has existed for some time particularly with respect to the induction of pre-Pearl Harbor fathers. Moreover, it will result in transferring back to the Selective Service Director, where Congress always intended it should be, full power and authority to administer the Selective Service Act. I refer in particular to that part of the bill passed by this House, which completely divests the Chairman of the War Manpower Commission of authority to administer any part of the Selective Service Act.

You will recall that the President some time ago by Executive order transferred Selective Service to the War Manpower

Commission. Since that time we have witnessed a great deal of confusion, for it was shortly after that transfer that the Chairman of the War Manpower Commission set up nondeferable lists. In so doing he listed certain types of business and occupations as being essential while others were denominated as non-essential, the men in the nonessential groups, regardless of their dependents, being required to transfer to the essential occupations or be inducted into the service. Some of us have contended that such action was without authority of law. However, since it actually happened, our only way now to correct it is by legislation. So we have adopted as a part of this bill an amendment which I originally offered to the Kilday bill. This amendment, which appears at the end of section 5 (m), completely forbids the induction of men by occupations or by occupational groups, the only exception being persons in needed medical, professional, and specialist categories. This amendment now having been agreed to, the practice of setting up nondeferable lists will be terminated, as a result of which men will hereafter be inducted as was originally provided for in the Selective Service Act, namely, according to the status of the individual regardless of his occupation. You will note that we have now provided that the President shall have authority to transfer Selective Service functions to a Selective Service Director only. This will prevent the transfer of such functions to the War Manpower Commission or any other executive agency of the Government.

In this bill provision is made for an appeal to an appeal board in the jurisdiction in which men are engaging in essential work. This will take care of the case, for example, where men have been able to obtain deferments through their local boards simply by saying they are employed in a governmental agency. An appeal board in Washington would be in a better position than the local or appeal boards back home to judge whether such men are engaged in occupations essential to the war effort. We believe this process will take from the Government pay roll and from some industries many men who have heretofore been labeled as essential, thus lessening the demand for men with families.

Bear in mind that this bill does not provide against the induction of pre-Pearl Harbor fathers. I have been asked by a number of Members whether or not it affects men already in the service. It does not. It affects only those men who will hereafter be called. While categories are not listed as they were in the Kilday bill, all nonfathers will be called first if this bill should become a law.

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. MAY. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON WAYS AND MEANS

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means have until midnight tomorrow to file a report on H. R. 3687, the tax bill introduced by me today.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent that the minority members of the Committee on Ways and Means have until midnight, Saturday, to file a supplementary report on the tax bill.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

EXTENSION OF REMARKS

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that the gentleman from Nebraska [Mr. CURTIS] be permitted to extend his own remarks in the RECORD and include therein some excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. KENNEDY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter from the President of the United States.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. H. CARL ANDERSEN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. GATHINGS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial from the Times-Herald.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ADJOURNMENT FROM FRIDAY TO MONDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the

House adjourns tomorrow it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

COMMODITY CREDIT CORPORATION

Mr. SMITH of Virginia. Mr. Speaker, I call up House Resolution 356, and ask for its present consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 2 days, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SMITH of Virginia. Mr. Speaker, I yield 15 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, the Congress has passed legislation—in operation now—recognizing the danger of inflation to ourselves and the war effort, and in that act known as the Price Control Act has directed the President to keep prices at the September 15, 1942, level.

The President has courageously done his duty. He has held the line better than most persons thought he could do. Mistakes have been made, yes, but decent-thinking persons expect that. As we look over the whole picture, he has done a remarkable job in holding the line against the break-through of inflation.

One thing is certain, when inflation comes, as it is bound to if this bill becomes law, the fault will rest with those Members of Congress who voted for this bill and not with the President. We might just as well be willing to accept our responsibility. If this bill passes, the responsibility for inflation, if it comes, as it will, in my opinion, will rest with Congress. We should be game enough to take our responsibility for our own acts.

If this bill passes, our people might just as well know now as later that inflation is here. The passage of this bill means wide-open competition among the purchasing public for available food and goods. With existing purchasing power, with the demand far greater than the supply, the result is inevitable.

Mr. Bowles, the O. P. A. Administrator, has stated that the increase in the cost of living by next January will be 4 percent if the bill passes. I consider that a conservative estimate. In any event, even if confined to an over-all 4-percent

increase in the cost of living, that will be only the starting point. It will be then that the general public, sleeping or slumbering now, reading of impending inflation, but failing to recognize its significance, will wake up, and then their voices of resentment will be heard and felt.

The amazing and disappointing thing to me is the lack of interest taken by the consumer public in the meaning of price control in wartime, in failing to let their feelings and voices be heard before it is too late, before the damage is done to them.

It seems as though most of us wait until we are sick and in pain before we pause in our everyday life to give thought to the cause or causes that bring sickness and pain to us. It seems to be the same with the general public.

We have the spectacle in this fight of Congress saying to the President, "Hold the price level as of September 15, 1942; we direct you to do so, but we are going to take away from you the power to do it." We might just as well say to any one of our generals in command of a battle area that the enemy is attacking, "We direct you to hold the line," and then in the next breath say that we order all of his troops to retire.

If we expect effective price control during this war, we must give the President the means to accomplish it. If the combination of political and pressure groups is strong enough to bring about inflation, why do they not do the honorable thing and repeal the Price Control Act? Why adopt the inconsistent and insincere position that we are in today, of directing the President to hold the line as of September 15, 1942, and at the same time take away all means by which it can be done? I am practical enough, having been subjected to it myself on many occasions, to appreciate the significance of a strong pressure interest from a district. On most of the legislation before Pearl Harbor I voted contrary to the views of well organized groups in my district. On the question of pressure, one thing is certain, that anyone representing mainly or on the whole a consumers' district, that Member, whether Republican or Democrat, is not subjected to that situation, to that pressure. That being so, another thing is certain, that any such Member voting for inflation will be voting against the direct best interests of the people of his district. In this connection it will be interesting to note how my Republican colleagues who represent consumers' districts will vote on the question of inflation—how many will vote for it and how few against it.

The American public may not fully appreciate the meaning of what is attempted by this bill, but if inflation comes, they will. One thing is certain. When public opinion is aroused, it is a voice and a power that will tolerate no subtle excuses.

I suggest to my colleagues that they go back to the last World War when there was uncontrolled and unrestricted inflation. Consider the conditions which existed at that time and the properly aroused clamor and demand emanating

from the housewives of America who protested vigorously against the intolerable price conditions. We do not have that spectacle today.

By the Price Control Act we declared war against inflation, instructing the President to hold the line as of September 15, 1942. By this bill we still direct the President to wage the war against inflation, but we take away from him the ways and the means to do so. The issue today is not one of partial administration subject to criticism or of unsound judgment. Those matters are subject to constructive criticism, and later correction. The basic issue raised by this bill is price control versus inflation. We have heard all kinds of fanciful arguments made on this question of subsidies in recent weeks. Some Republican Members have even condemned the payment of subsidies to the farmers in the dark years of the Hoover depression, when the supply of farm products was much greater than the demand, and when the cost of transportation to the market was more than the farmer could get for his product.

Time passes quickly, and when conditions improve, it seems to be a human trait for people to forget past pains and sufferings. But the people generally are not ungrateful, certainly not intentionally so.

Even while time passes quickly and with better conditions, the pains of the past become dim. I doubt if all of our people and if all of our farmers have forgotten the pain and the suffering of the unpleasant and dark era known as the Hoover depression. When these Members talk about the conservation program of President Roosevelt, and this Democratic administration, with the payment of subsidies, with the problem of a glutted market, with corn, wheat, cotton, and other farm products selling at the lowest price in history, with a necessity for governmental action that would bring about a more equal operation of the law of supply and demand, such an argument is an insult to the intelligence and the gratitude of the farming population of our country. Yes, I can remember, during the dark era known as the Hoover depression, of foreclosures of farms by the tens of thousands, and in some cases fine men in their desperation resisting such foreclosures. I sat here during that period, and I witnessed the do-nothing policy, and I saw the results—economic distress everywhere—inaction, letting nature take its course, which meant the complete destruction of agriculture. And it was very close to that when President Roosevelt took office in 1933. Under the leadership of President Roosevelt the whole country came out of its economic nose dive. Yes, subsidies were paid to the farmers, and what would have happened if they had not been paid? Subsidies were paid as a part of a broader problem of bringing about a normal operation of the law of supply and demand, thereby bringing to the farmer conditions under which he could get a fair price for his product. One thing is certain. He did not continue to get the destructively low prices of the Hoover depression.

When any Member, upon the premise that the farmer has forgotten those days, attacks what was done to help the farmer then, he proceeds upon one of two theories, that the farmer cannot remember back 10 years or that, remembering, he forgets the leadership of the man who employed all of the powers of Government to constructively assist him in his extreme distress. I brand as intellectually dishonest, as a partisan political appeal, for any Member to compare the conditions of 1933 with the conditions of today. Then the supply was greater than the demand. The result was lower and lower prices until general bankruptcy faced agriculture and industry. The conflict that President Roosevelt waged after his inauguration in 1933 was the war against deflation. Today, due to the demands of war, the picture is the opposite. The demand is far greater than the supply. Unless controlled in some way, prices will spiral upward and uncontrolled inflation will result. Distress will exist, and prices will become so prohibitive that the poor will suffer keenly. Economic group feelings will develop, and everyone will ultimately suffer, as we are all in some way consumers. The cost of conducting the war will be sharply increased. The purchasing value of the dollar for all will rapidly be decreased. Internal division will increase and the morale of our people will be affected with a harmful result upon our whole war effort. In 1933 we were fighting a war against deflation. In 1943 we are fighting the war against inflation.

While I have no doubt as to the outcome of this global war and our ultimate success, it is my strong opinion that if inflation comes it will tend to prolong rather than shorten the war. To any Member who in his conscience stands for inflation and honestly feels inflation would be for our best interests, in sharp disagreement with him, I respect his right to entertain his views, although I do not agree with his opinion.

However, to any Members who are opposed to inflation and who recognize that some kind of price control is necessary to prevent inflation, I say that in barring the use of subsidies to control prices you have a duty and obligation to offer a substitute to the existing law, a substitute that either by congressional act will prevent inflation or by congressional direction to the President will enable him to establish some effective machinery other than the use of subsidies.

In conclusion, expressing my views on the basic question of control of prices, I cannot see how we can control prices with the tremendous purchasing power, the tremendous demand that exists, far greater, and in some cases many times greater, than the supply, and this artificial situation which exists under war conditions which we must meet, how we can control prices unless something of a practical nature is done. I am not approving of all of the things that are done. But those are the things subject to constructive criticism and correction. I have heard many speeches; I have agreed with Members on both sides making constructive criticism that should be

welcomed and that under no condition or by remote inference do I criticize, and it is not subject to criticism. I have acted upon suggestions made by Members here. I think it is healthy to seek constructive criticism. It produces corrections and better results. But today we are faced with a basic question whether or not we are going to have inflation, and in order to prevent inflation we have got to have price control and you cannot have it by congressional fiat. We can prescribe it, as we have, by the words we have used in existing law, but we cannot accomplish it nor can anyone else unless machinery is provided some place, either established by Congress or given to the President, to control the prices and thereby prevent inflation.

To those who feel such conditions are not satisfactory so far as the operation of law is concerned, for example, the O. P. A., criticize constructively those things you think are subject to criticism, but I ask you, by all means, do not let your feelings or criticism of those actions operate by reaction in a manner that you will vote for a bill that will prevent the control of prices and bring about inflation. Personally, I have no doubts as to the outcome. I had hoped that some kind of compromise would be brought about. Personally I do not think the line can be held hard and fast. There must be a little flexibility. I made that statement when the original O. P. A. act was up. All we can do is hold the line as much as we can. When the pressure is great we must give a little, just like armies attacked and then when they must retreat they do not wait until they are destroyed, but they retreat and form a new line to hold the enemy back. Frankly that has always been my opinion. The best way to administer it would be with a little flexibility where the feeling of arbitrary action would be eliminated or reduced to a minimum. Those have been my personal feelings. But on the basic question involved in this bill today, the question of inflation or no inflation, I have no hesitancy in taking my position in support of the President. And I will support any substitute that will bring about price control and prevent inflation during this war period.

Mr. SMITH of Virginia. Mr. Speaker, I yield 30 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, I am not going to enter upon a discussion of this controversial and technical bill. Suffice it to say that the distinguished majority leader has taken the floor and has presented from a manuscript a very comprehensive discussion of the matter from the viewpoint of those who favor consumer subsidies. I dare say that when the debate shall have finished there will be no point raised in favor of subsidies that has not been covered by the distinguished majority leader. We are not debating the merits of the bill now but the provisions of the rule. I have just a word about the rule. I have been asked a number of times whether the commentator over the radio was correct when he said that this bill would be considered under a gag or a closed rule. That statement was incorrect. All this

rule does is to bring this bill before the House for consideration by the House under the general rules of the House. The bill will be open to all germane amendments offered by any Member during the reading of the bill under the 5-minute rule. Now, Mr. Speaker, let us all enter upon the discussion of this important matter, not in a partisan, not in a selfish manner, not because one is majority leader, or because one is minority leader. There should be no political whiplashing upon the backs or the consciences of the Members when they are conscientiously considering a matter which is and should be entirely nonpartisan. I hope that we will approach this vital measure in that attitude and in that frame of mind. I hope to discuss the merits of the bill later in the debate.

Mr. Speaker, I now yield 10 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, I supported and voted for this rule when it was before the Rules Committee. I expect to vote for the rule here today and also to vote for the bill, including section 3 thereof, which undertakes to prohibit the payment of general consumer subsidies.

Certain Members appeared before the Rules Committee to urge the adoption of a special rule which would provide for a separate vote on section 3. That suggestion was not followed by the Rules Committee. Of course, an amendment to strike section 3 from the bill can be made during the consideration of the bill. If a majority favors such action, the amendment will prevail. If the amendment does not prevail, then those favoring the payment of consumer subsidies will have to choose between voting for the prohibition or against the extension of commodity credit. But that is a situation which very frequently confronts us in passing finally on legislation. To attempt in each case to suit certain individual desires would involve us in endless difficulties. After all, under the general rules of the House, the majority can work its will.

It was also suggested that we make in order by special rule a substitute proposal which is embodied in a bill introduced by the gentleman from Massachusetts [Mr. HERTER]. While there is undoubtedly much to recommend something along the line of his suggestion, his bill has not had committee consideration nor that detailed study which generally precedes floor consideration of such a far-reaching proposal. Therefore, it seemed to the majority of the Rules Committee that such a special rule should not be granted.

The only and real issue involved in this legislation is whether the Congress shall prohibit the payment out of Federal funds of general consumer subsidies.

It is my considered judgment that this matter of subsidies would not now be before us if the administration had grappled courageously, honestly, and realistically with the problems of price control. And further, even today, there is no need to resort to such subsidies in our efforts for price control and to prevent runaway inflation.

Let no one tell you that those of us who oppose these subsidies are in favor of inflation. For myself, I voted for the various price-control laws. I do not stand for their repeal today. My only regret is that the demands of some of us for an over-all, effective and complete price control from the very beginning were not heeded by the administration. It is the failure to adopt such a plan and the further failure to properly administer the various statutes which have been enacted that has resulted in the price squeezes and the increases in the cost of living which are now sought to be alleviated by the payment of consumer subsidies.

Mr. Speaker, you will notice that I refer to consumer subsidies. In considering this question, we must remember that the prohibition contained in section 3 does not go to production subsidies to be paid to submarginal or high-cost producers in order to keep up production. The prohibition goes only to consumer subsidies which apply to rich and poor alike by relieving them of a part of the cost of certain commodities which they buy at the expense of the Federal Treasury. Consumer subsidies are taxation in reverse. We take out of the Federal Treasury the money to pay part of the living cost of all people who buy certain commodities. The war profiteer, big or small, is thus permitted to keep more of his profits.

Subsidies must be paid out of borrowed money. They increase the Federal debt, a debt which is now growing to such proportions as to be almost terrifying. Untold generations to come will be struggling to pay the debt now being created. We certainly should not expect them to pay for the bills which we ourselves should now be paying.

Consumer subsidies are now being sought as a matter of political expediency. They are more of appeasement than good, common sense. They represent a resort to the path of least resistance. They are an extension of the old illusion that if we pay something out of the Federal Treasury, it does not cost anybody anything. That illusion so long held by so many millions of our people must now be about shattered as they march up to pay the tax collector.

It seems rather strange to me that a large part of the clamor for the payment of consumer subsidies comes from those who, in respect to the comparative amount of pay they are presently receiving, have profited the most from the extraordinary expenditures of the war effort. Their demands leave me cold. There are undoubtedly many consumers who are being badly squeezed by reason of having level incomes which do not compensate for increased living costs and increased taxation. But I seriously doubt whether any considerable number of that group want relief through the payment of general, over-all consumer subsidies which are in issue in this bill.

It has been suggested that the expenditure of a few millions in subsidies will save billions in the cost of living and inflation. Such a contention is completely absurd. It should be obvious to

everyone that if we pay out of the Federal Treasury a part of the cost of certain consumer goods, the purchaser will profit only in the amount paid, less the expense of administering the fund made available. In plain words, if the Government pays 5 cents of the cost of a pound of butter which I buy, I have profited to the tune of 5 cents, and no more.

Much has been said about the so-called farm bloc and its position in this controversy. I have been accused of belonging to that bloc, although many times my farmer friends have thought right bitterly of me because they said I did not belong to the bloc. So I do not know whether I belong or not. Let us not forget, however, that the present law authorized the administration to put a ceiling on farm prices at parity. That is the figure which is supposed to represent a fair return to the farmer. It is a figure which the administration has sought for years to reach. If prices of farm products are not ceilinged at parity, then I assume the administrators in charge of the program have reasons therefor.

Assuming that the farmer is getting no more than a fair price for his product, and assuming that subsequent processors and distributors are getting no more than a fair return for the service they perform, then the resulting price to the consumer is fair and reasonable and is not inflationary. Consumers should not resent paying such a price.

In conclusion, the majority leader said that the Congress had directed the President to "hold the line," to stabilize prices, that if we insist on this position against consumer subsidies that all of his authority in that regard, or I take it the larger part of his authority in that regard, will be nullified.

The plain fact of the matter is that a long time ago the Congress of the United States said to the President of the United States: "Stabilize prices and control the threat of inflation." The plain fact also is that in spite of the mandate of the Congress and the authority the Congress vested in the President the line has not been held, inflation or moves in the direction of inflation have not been controlled. That is not the responsibility of the Congress.

The SPEAKER. The time of the gentleman from Indiana has expired.

Mr. MICHENER. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. HALLECK. That is the responsibility of the administration which is presently demanding that we continue to pay in ever-increasing amounts the consumer subsidies. If we view the past record in the matter of holding the line whatever may happen about consumer subsidies in this bill may not materially affect prices and price control. No one can definitely know what we may expect as to the future, but as far as I am concerned I am convinced that these consumer subsidies that have been paid and that they want to pay now will not be a drop in the bucket in the matter of controlling inflation. What we need is a

complete turn-about and an effective and good-faith determination on the part of those in charge of administering the statutes we have enacted to prevent inflation as an over-all proposition.

Mr. HINSHAW. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. HINSHAW. I understood the majority leader to say that if this bill is passed in the form in which it is brought to the floor that it will be in the nature of a directive to the President to take off all price ceilings. Does the gentleman think that?

Mr. HALLECK. No such conclusion, of course, could be reached. There is nothing in the action that is here proposed that could be said to indicate anything like that at all.

The SPEAKER. The time of the gentleman from Indiana has again expired.

Mr. MICHENER. Mr. Speaker, I yield 10 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Speaker, I am in favor of the rule and I shall support this bill as it is here presented. If the committee offers certain amendments which have been talked about, I expect to support those.

What I wish to direct my remarks toward at this particular moment is the reasoning which was used in the statement presented by the gentleman from Massachusetts [Mr. McCORMACK] because with his general thesis, I disagree. He took the position that if this bill becomes law it will put into operation great inflationary forces in our economy. I deny that general approach for these reasons: I have in my hand a circulating statement of United States money as of September 30, 1943, showing \$18,844,000,000 in circulation.

I have here a statement issued on October 30 by the Comptroller of the Currency, Treasury Department, showing that there was to the credit of individuals, corporations, and partnerships as of June 30, 1943, a little over \$82,000,000,000 in deposits, and that our people had to their credit \$3,163,000,000 in Government postal and savings deposits, or, in round figures, a little over \$90,000,000,000 spending or buying power to the credit of our people and on the books of the banks of this country.

I have a bulletin from the Federal Reserve Bank which shows that we have in excess of \$23,000,000,000 of gold.

I submit, Mr. Speaker, that the deposits to the credit of our people, plus the currencies which they have in their hands and in their lock boxes, plus our gold stocks, primarily constitute the economic forces with which we shall create inflation in this country, if inflation is to come. I again deny that the provisions of this bill will bring inflation to our people.

Let me point it out in this way, Mr. Speaker: At the present time we have over four times what we had in September 1926 and in September 1929 in the form of money in circulation. We have over three and one-third times what we had in 1920, when our wholesale price index level was 167 percent of

1926 as against a price level in September of only 103 percent of the 1926 level. Our gold stocks are five times what they were in 1929 and about eight times what they were in 1920. Our total time and demand deposits are about 60 percent greater than in December 1929, and they are almost two and four-tenths times as great as they were in May 1920.

Our expansions in deposits, in gold, in currency in circulation, I repeat, Mr. Speaker, are the forces which will precipitate inflation in this country, when, as, and if we, the people, start turning those factors over and bringing into operation what the economists call the velocity of spending. For instance, in 1929 the velocity of demand deposits in banks in 101 of the reporting cities was 67 times per year. That is, \$1,000,000,000 demand deposits were moving along and energizing \$67,000,000,000 worth of business in this country. I am informed that last September our velocity was less than 20 times turn-over. When the American people begin turning over their present demand deposits and their currency and utilizing our gold in connection with the expansion of commercial credits through the banks, and turn them over at 30, 40, or 67 times per year, it is then you will feel the inflationary forces destroying our people, and then we shall be setting the stage for another great financial debacle, and far worse than that one of 1929. But this little bill such as we are considering here today, if it goes into effect, will not bring inflation. I will challenge any man on this floor during the debate, in the next 3 or 4 days, to show me a statement from any recognized leading economist in this country which does not support the thesis I am here advancing with reference to the 2-dimensional characteristics of these 3 elements—demand deposits, gold, and money in circulation—as related to their velocity.

What are we doing in this country today? What are you doing with the money that is to your credit in the bank? I am talking about your demand deposits. What are you doing with the money that stands to your favor in your lockbox and in other places where you have it? Is its velocity high or low? Are you using it? How fast do you propose to turn it over in the coming months or years, at which time you may desire to run away from the ownership of credits and currency into the ownership of things, of land, of farms, of real estate as city property, of commodities, of equities in corporations represented by debentures, bonds, and stocks? When you decide to run away from the ownership of credits, currency, and gold into the ownership of these other things and begin to whip up that velocity three or four times as fast as at present, that is when you will feel the economic effect of the inflationary forces to which the gentleman from Massachusetts [Mr. McCORMACK] referred.

But this bill will not bring inflation to our people. I am prepared to take any consequences that may come to me from a political standpoint in my support of this proposal. I contend, Mr. Speaker, that the farmers of this country are en-

titled to a market where they can go and sell their goods without depending on the whims, the caprices, and at times the prima donna attitudes, and the political phases that operate in appropriation committees and in legislative bodies as to whether or not farmers are to have a decent, fair, and equitable return for their labor in the form of their products which they place on the market. I do not propose to be a party now or at any subsequent date to making the farmers of this country dependent upon our appropriations with respect to subsidy money, whether through the Reconstruction Finance Corporation, the Commodity Credit Corporation, or any other Government-owned or controlled agency. I insist that the farmers of this country, insofar as it is possible under war conditions, be permitted to put their produce on the open market, that they be permitted to have the O. P. A., for instance, announce the prices which will cover their cost of production plus a reasonable return, just as we buy goods from the manufacturing interests of this country through the contracts which we negotiate with them, later on renegotiate, and later on tax. The farmers in their particular branch of industry are entitled to as fair treatment in peace and in war-times as we give to our manufacturing concerns and this bill moves in the direction of doing that very thing.

I trust that this House will back up the provisions of the bill.

The SPEAKER. The time of the gentleman has expired.

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Speaker, obviously I cannot discuss the merits of this bill in 5 minutes. I insist that the reason there is so much opposition to subsidies now is because adequate consideration has not been given the subject and I do not think adequate consideration will be given in the general debate on this bill. I mean by a substantial majority of the Members of the House. Consent has already been obtained that when the House adjourns tomorrow it adjourns until Monday next. This rule provides for 2 days general debate—that is, today and tomorrow. That is an invitation. Of course it was not so intended to anybody who wants to leave until Monday, now is a good time to go, and most of the Members will go and will not be giving this bill much consideration. That is, a majority of the Members will not.

NO ALTERNATIVE FOR SUBSIDIES EXCEPT HIGHER PRICES

There is no alternative but subsidies if you want to keep down the cost of living and if you want to pay the producers an adequate price to encourage production. There is absolutely no alternative.

HIGH PRICES AND INFLATION

A vote for this bill in the form in which it is written now is a vote to further increase the high cost of living. This is a high cost of living bill. Furthermore, a vote for this bill will promote and encourage inflation, a vote for this bill is an inflationary vote which is not the only

inflationary vote the Members of this House have cast. This is an inflationary Congress.

INFLATIONARY CONGRESS

We have done everything within our power to force inflation in this country. In the first place we need a lot of money for taxes to pay on the national debt. Instead of taxing \$12,000,000,000 we gave back in the Republican Ruml plan tax bill $7\frac{1}{2}$ billion dollars.

Now these is a movement on foot not to place any substantial tax bill upon the statute books, so we are going in the wrong direction. We are not taxing enough to pay the cost of the war and we are encouraging an increase in prices, which, of course, is inflationary as well as increasing the high cost of living.

Of course, no one can oppose the rule if he is in favor of the Commodity Credit Corporation. When the rule is adopted, the question will come up, and I expect to offer an amendment, if someone else does not, to strike out section 3. When that is done, if the Republicans vote solidly together, as they claim they will, that means we do not have a chance to get it adopted. When we do not get it adopted, we have no record vote on it. It is not possible to get any record vote on that question at all if the Republicans resist it. So in a way, whether or not it was intended, we are not getting adequate consideration to the extent that a Member will go on record on passing on this fundamental question.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I have only 5 minutes. Of course, if the gentleman insists I will yield to him.

Mr. HALLECK. I think the gentleman should yield to me on this occasion.

Mr. PATMAN. Certainly, I will yield.

Mr. HALLECK. The gentleman made a statement about how some Members might not be here to listen to the debates, that some of them might even be home. Does not the gentleman agree with me that even though frequently by reason of committee assignments or other things we have to do we cannot be present on the floor, we do have the CONGRESSIONAL RECORD, which contains all of the debates and the speeches of gentlemen like the gentleman from Texas who are informed about the subject, and we have a chance to read in the CONGRESSIONAL RECORD what has been said?

Mr. PATMAN. That is all right; I thank the gentleman, but I have only 5 minutes.

Of course, the political vote on this thing is to vote for section 3, vote for the whole bill as it is, and then when it is vetoed just pray that the veto will not be overridden. Then you have satisfied all groups, you have not lost any support, you have gained lots of support; but you would be ruined if it were actually put into effect; that would absolutely ruin you, and I do not believe the minority party wants that done.

I think if they are looking at it from the political standpoint, as I think a great many of them are, they will vote for this bill as it is in the hope that they will gain

some favor with the farmers of this country, and then pray that it will not be overridden, with the knowledge if it is not overridden that the consumers will not hold it against them. So that is a fine political vote for them to cast, for that reason, and it can be exploded only if the veto is overridden.

As I was going to say when our good friend from Indiana interrupted me, this Congress is an inflationary Congress. Everything we have done has been in that direction. It is true that we voted for a good bill to stabilize prices, wages, and salaries, and we not only asked the President but we directed him to hold that line. I do not believe it is possible to hold the line absolutely 100 percent, and you do not either. A lot of things have been done that should not have been done, but we should not say, "We will just let the country go to the dogs because certain things have happened that we do not like."

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. SMITH of Virginia. Mr. Speaker, I yield 1 additional minute to the gentleman from Texas.

Mr. PATMAN. The major question is stopping inflation and keeping down the high cost of living. Here is where we are inflationary. We tell the President to hold the line. What does it take? It takes an O. P. A. with plenty of money. This Congress cut down the annual appropriation for O. P. A. \$25,000,000 so as to make it impossible for them to hold that line. The O. W. I. was doing a fine job of teaching the people the dangers of inflation, and this Congress voted to cut out their entire appropriation for that purpose, which absolutely nullified their efforts to teach the people of this country how the dangers of inflation might be combated. So this is a high-cost-of-living bill and an inflationary bill.

The SPEAKER. The time of the gentleman from Texas has again expired.

Mr. MICHENER. Mr. Speaker, I regret that the gentleman from Texas [Mr. PATMAN], who to my personal knowledge has made the same speech—which fact can be established by reading the RECORD—a number of times in the last 2 weeks, finds fault because some of the Members do not feel inclined to sit on the floor when he speaks and hear him reiterate the same things he has repeated so many times. I respect his views, and maybe he is right, but he should not criticize those who do not remain at all times to hear the repetition.

Mr. Speaker, I do not care to take any more time.

Mr. SMITH of Virginia. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I shall not discuss the merits of the bill here today. I do want to explain the rule which brings it up for consideration.

I had not heard that there was any question about this being a closed or gag rule until the gentleman from Michigan spoke of it. The contrary is the fact. It is an open rule, about as liberal a rule as we could grant without violating all of the rules of the House. As a matter of

fact, neither the proponents nor the opponents of the bill ever asked for a closed rule.

This rule does just two things. It fixes the time for debate and brings the bill to the floor for consideration. That is all the rule does. When it gets here it is governed by the general rules of the House.

The only controversial thing in the bill is section 3, relating to subsidies. Those who oppose that section when they appeared before the Committee on Rules asked for a special rule that would give an opportunity to have a roll-call vote on that separate question. It is true that that question is perhaps somewhat unrelated to the rest of the bill. Some of us thought there was some merit in that contention, and the Committee on Rules did give it very careful consideration, but we reached the conclusion that the rule gives the right to a motion to recommit, and the minority or those who lose on the motion to strike out section 3 will have control of the motion to recommit.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Texas.

Mr. PATMAN. Is the gentleman stating that correctly? I know he intends to, but suppose the motion loses, would not one on the majority side have the right to make that motion to recommit, not one in the minority on the question to be decided? In other words, one on the minority side would be entitled to first recognition and could just make a regular motion to recommit—anything to dodge the issue—and we would not have a chance.

Mr. SMITH of Virginia. I think the minority is entitled to the motion to recommit, but that is the only question in dispute on the bill, and I am not going to assume that the minority will not act in good faith. Of course, if the motion to strike out section 3 prevails, then under the general rules of the House there can be a separate roll-call vote on the bill.

Mr. WOLCOTT. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Michigan.

Mr. WOLCOTT. I assume that if the rule is adopted I shall have the control of the time on this side of the aisle. Although I do not know that I have on my list as yet anyone who wants to speak against the bill, if there are any on this side who want to speak against the bill, if they will notify me I shall be very glad to give them time.

Mr. BOREN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Oklahoma.

Mr. BOREN. There are gentlemen on this side of the aisle who will want to speak against the bill. I would take this exception to the remarks of the gentleman from Virginia about the controversy on the bill, that there are certainly some of us left who feel that whether or not this corporation ought to be continued at all is a controversial issue. If there is going to be a division of time on the basis of being for or against the bill, we

should like to have some assurance that we shall have time to speak.

Mr. SMITH of Virginia. Of course, the Committee on Rules has nothing to do with the division of time under this rule. The gentleman will have to take that up with the Committee on Banking and Currency. As far as our committee was advised, there was no controversy relative to the continuation of the Commodity Credit Corporation. It was not brought to our attention.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered. The resolution was agreed to.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Frazier, its legislative clerk, announced that the Senate, having proceeded to reconsider the bill (S. 514) entitled "An act for the relief of Blanche H. Karsch, administratrix of the estate of Kate E. Hamilton," returned by the President of the United States with his objections, to the Senate of the United States, in which it originated, it was

Resolved, That the said bill pass, two-thirds of the Senate having voted in the affirmative.

The message also announced that the Senate agrees to the amendments of the House to a bill and a joint resolution of the Senate of the following titles:

S. 1169. An act for the relief of Samuel Margolin; and

S. J. Res. 47. Joint resolution providing for the appointment of a National Agricultural Jefferson Bicentenary Committee to carry out under the general direction of the United States Commission for the Celebration of the Two Hundredth Anniversary of the Birth of Thomas Jefferson appropriate exercises and activities in recognition of the services and contributions of Thomas Jefferson to the farmers and the agriculture of the Nation.

ESTATE OF KATE E. HAMILTON (H. DOC. NO. 359)

The SPEAKER laid before the House the following message from the President of the United States, which was read:

To the Senate:

I return herewith, without my approval, S. 514, entitled "an act for the relief of Blanche H. Karsch, administratrix of the estate of Kate E. Hamilton."

This bill authorizes and directs the payment by the Secretary of the Treasury to Blanche H. Karsch, administratrix of the estate of Kate E. Hamilton, the sum of \$7,025.60, together with interest on such sum at the rate of 6 percent per annum from November 23, 1939, until the date of payment by the Secretary in full satisfaction of the claim of such estate against the United States for refund of the taxes erroneously paid.

Mrs. Kate E. Hamilton died intestate in Memphis, Tenn., on December 1, 1930. On December 31, 1931, Mrs. Blanche H. Karsch paid an estate tax with interest of \$26,017.15, and on January 24, 1933, paid an additional tax, with interest, amounting to \$1,400.40. Litigation involving the estate was not complete until 1939.

Mrs. Karsch filed a claim for refund on November 25, 1939, which was rejected on

December 15, 1939, by virtue of section 319 (b) of title III—estate tax—of the Revenue Act of 1926 which provides as follows:

All claims for the refunding of the tax imposed by this title alleged to have been erroneously or illegally assessed or collected must be presented to the Commissioner within 3 years next after the payment of such tax.

It appears that the court proceedings were instituted prior to the expiration of the date for filing claims for refund and that a timely claim to protect the interest of the estate could properly have been filed.

Congress has determined that it is sound policy to include in all the revenue acts statutes of limitations, by the operation of which, after a certain period of time, it becomes impossible for the Government to collect additional taxes or for the taxpayer to obtain a refund of an overpayment of taxes. This bill selects a single taxpayer for special treatment by excepting her from this policy. The whole body of Federal taxpayers is thus discriminated against, and a precedent is established, opening the door to relief in all cases in which the statute operates to the prejudice of a particular taxpayer, while leaving the door closed to the Government in those cases in which the statute operates to the disadvantage of the Government.

I know of no circumstances which would justify the exception made by S. 514 to the long-continued policy of Congress, and do not believe that the field of special legislation should be opened to relieve special classes of taxpayers from the consequences of their failure to file claims within the period fixed by law.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, October 28, 1943.

The SPEAKER. The objections of the President will be spread upon the Journal.

Mr. McGEHEE. Mr. Speaker, I move that the bill and the President's message be referred to the Committee on Claims and ordered printed.

The SPEAKER. The question is on agreeing to the motion of the gentleman from Mississippi.

The motion was agreed to.

CONTINUING COMMODITY CREDIT CORPORATION

Mr. STEAGALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 3477, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. STEAGALL].

Mr. PATMAN. Mr. Chairman, will the gentleman yield for a question on the matter of procedure, not on the bill?

Mr. STEAGALL. Yes.

Mr. PATMAN. There are at least 10 or 11 Democrats on the committee who are against section 3 of the bill and we understand that some Republicans are against it. Since there are 2 days of debate under the rule, and the House is to meet tomorrow at 11 o'clock, will the gentleman allow us who are against section 3 some definite time for debate today?

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. BROWN of Georgia. There are also about eight Democrats on the committee who are in favor of the bill, and we will want some time also.

Mr. STEAGALL. I think that the casting up of the vote on this bill at this time is rather immature. I am not in a position to say how people are going to vote.

Mr. PATMAN. If we are going to get any time, we would like to know now, and if we are not, we would like to know it.

Mr. STEAGALL. Of course, the gentleman will get time. Let me say this. The rule provides for 2 days of general debate, and incidentally I will say that I requested that much time be allowed. I did so in deference to the wishes of the minority members of the committee, and I speak of the minority with reference to the matter in controversy in this legislation. It is not my thought that such an amount of time is necessary, but I was glad to meet the wishes of my friend from Texas. The rule provides for 2 days of debate as I say. I do not know under the language of the rule how either myself or the gentleman could at this moment undertake to divide this time on the basis of hours, because I do not know whether the debate will end tomorrow under the rule or whether further time will be allowed on Monday. I say this to the gentleman, that I have not yet allocated any time, but of course I expect to give the gentleman from Texas ample time.

Mr. PATMAN. Assuming that we will have debate for 3 hours—

Mr. STEAGALL. The gentleman means today?

Mr. PATMAN. Yes. At least the gentleman could give us 1 hour or 1 hour and a half today.

Mr. STEAGALL. Very well. I want to be just a little more considerate of the minority in this matter than I am of the majority, and I shall now yield 1 hour to be used by—shall we say—the gentleman's side of this controversy this afternoon.

Mr. PATMAN. If the debate goes that long—3 hours.

Mr. STEAGALL. I do not know how long the committee will run, but the gentleman will get his hour.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. HOFFMAN. I want to know when the gentleman is going to give the gentleman from Texas time. We would like to know so that we may be present here to hear him. I am making that request so that I might be here when he speaks. I do not want that to be misunderstood.

Mr. STEAGALL. I appreciate the facetious remark of the gentleman from Michigan. Of course we are all delighted to hear the gentleman from Texas [Mr. PATMAN] whenever we have a chance.

The CHAIRMAN. Did the gentleman from Alabama state how much time he desires to consume?

Mr. STEAGALL. Mr. Chairman, I shall use 15 minutes.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama for 15 minutes.

Mr. STEAGALL. Mr. Chairman, this matter has been discussed so frequently and so fully and on so many occasions that it is difficult to discuss it if one desires to avoid repetition. So I do not intend to tax the patience of the House very long. First, that section 1 of the bill was supported by a unanimous vote of the Committee on Banking and Currency. It has interdepartmental approval and, so far as I know, there is no objection whatever to it. It simply makes a minor change in the manner of making up the annual appraisal and accounting of the Commodity Credit Corporation. It seems more appropriate for the appraisal to be made on June 30 each year, since that is the closing date of the fiscal year. The new basis for appraisal provided by this section is cost at the time of appraisal, or the average market prices during the last month of the fiscal year, whichever is lower, rather than cost plus a year's carrying charges, or the average market price for 12 months, whichever is the lower.

Section 2 of the bill would establish a method of accounting of the activities of the Corporation, to be conducted by the General Accounting Office, and extends the life of the Commodity Credit Corporation as an agency of the Government to June 30, 1945. This provision, as in the case of section 1, was not controversial in the committee and, so far as I know, has incurred no opposition anywhere.

Section 4 of the bill, as far as the Committee on Banking and Currency is concerned, is unopposed and the report as to that provision of the bill was unanimous. So that we have only one matter in controversy in this measure. It will be remembered that Congress was asked in 1941 to pass a price-control bill, which we were told was necessary to prevent a run-away inflation during the period of the war. Let me remind the Members of the House that the first proposal submitted to us would have given unlimited authority to the Price Administrator provided for in the bill to fix prices upon all commodities in the United States at his own sweet will. I will say that under that proposal he would have been given the power to fix the price of cotton at 5 cents a pound, of wheat at 25 cents, or corn at 30 cents, if he had seen fit. Meantime the bill embodied a specific

provision exempting wages and salaries from its operation.

I notified the Administrator at that time that I would not support or sponsor any such proposal. We were then handed a bill placing a limitation upon his power to control prices of agricultural commodities to the effect that no ceiling might be imposed at less than parity. I made known, as I think everybody understands who has the slightest grasp of the matter, that if we were to fix a price at parity it could not be sustained at that figure for the reason that all transactions, speculations on the board, and what not would have to be conducted inside that limit, and, therefore, you could not sustain such a price. I further insisted—and do not think I did not have to insist—that I would not sponsor the bill without a further safeguarding provision to the effect that no ceiling might be established on any article processed from any agricultural commodity that would not protect the price reflected to the producer. And do not think it was not bitterly opposed. I had to talk plainly with the young lawyer who represented the O. P. A. at that time and who has since entered the service of his country. I had to tell him that he would never be able to blindfold any member of our committee by simply offering a parity provision without the addition of a safeguard covering articles processed from agricultural commodities. I wrote with my own hand what I thought was a common-sense provision that would assure something approaching fair treatment to agriculture, because it was evident, when once the Administrator and his lawyer brought to us a bill to confer unlimited power for control of the prices of farm commodities containing a specific exemption of wages and salaries, nobody could ever have been misled as to what was in their minds or what their real intentions were. So I wrote in a provision that no ceiling on agricultural commodity or on any article processed from any agricultural commodity could be imposed at less than 110 percent of parity.

Of course, that provision would not have afforded fair comparative treatment for agriculture, but it was at least a step in that direction. I was assured that the provision would be accepted. It seems this was forgotten a little later when the matter was taken to the Senate committee and where a contrary insistence was made. This provision was adopted by the Committee on Banking and Currency of the Senate, by the Senate, and finally incorporated in the act. The Members of the House are familiar with what later happened with respect to the 110-percent-parity provision of that act. It is enough to say that Congress was notified that that provision had to be repealed by legislative act or that it would be done otherwise, else our national economy would be disrupted and the war program imperiled if that provision of the act were not repealed. Well, like good soldiers, we went along and repealed that provision of the original Price Control Act. And what happened? We gave the power to fix controls at parity on any agricultural commodity produced in the country. What happened?

According to the last account I had of it a few days ago, the average price of farm commodities in this country was nearing 20 percent above the parity level which they were authorized to establish under the provisions of the last so-called Price Control Act. Yet, the Republic still lives, thank God, and we have not lost the war.

But, of course, Congress is to blame for anything that goes wrong. When they handed us the second bill, which we had been told was to be another price-control bill, to strike out the 110-percent parity limitation, we were presented with a different measure entirely, giving blanket authority carrying the power of life and death over our national economy. And the word "inflation" was not in the bill, and it is not in the law now, except where I wrote it into the title with my own hand.

After all, I wonder how many people in this country who talk and read about inflation every day have the slightest understanding of what they are talking about, or what they are reading. If there is any word in the English language that has been overworked in recent days it is that word.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. Mr. Chairman, I yield.

Miss SUMNER of Illinois. The gentleman recalls that Leon Henderson and Mrs. Roosevelt and the rest of them took the radio and told the people that if the bill were passed putting a ceiling on wages, it would be against the Constitution and would be human bondage, and then they came in and asked for a bill to put on an amendment of the same nature.

Mr. STEAGALL. Well, that is getting a little ahead of me, but I will say to the lady from Illinois that the Record justifies her statement of facts.

This matter of inflation has been talked about a great deal here. Do you know who were the pioneers in this country in the matter of stabilization legislation? I want to tell you. In 1932 this House passed a stabilization bill. It had the support of the leading economists of the country. It passed the House with only 60 votes against it, as I remember. My good friend from Texas [Mr. PATMAN] and I were in that fight. I want to tell you that the farm organizations of the United States were the pioneers whose support brought about the passage of that bill in this House.

The CHAIRMAN. The time of the gentleman from Alabama [Mr. STEAGALL] has expired.

Mr. STEAGALL. Mr. Chairman, I yield myself 10 additional minutes.

The leading farm organizations of the United States supported the first price control bill. I do not think I would be in error if I said we could not have passed it without their support. They are not for inflation. We did not have inflation then and we do not have any inflation now that need disturb anybody.

We all agree that the 1926 price level was a fair basis upon which to stabilize. That is what we provided in the bill that passed this House in 1932. It directed the Secretary of the Treasury and the

Federal Reserve System to use all their vast powers to restore the 1926 price level and stabilize there. The price level only a few days ago reached the 1926 level, and it is now only a point or two above it, as I recall.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. BROWN of Georgia. The gentleman from Texas [Mr. PATMAN] stated that the bill did not carry any funds for the further operation of the Commodity Credit Corporation.

Mr. STEAGALL. That is correct.

Mr. BROWN of Georgia. Will the gentleman explain why it does not?

Mr. STEAGALL. I will. I do not remember that there was any proposal in the committee to increase it. Of course, those of us who are concerned about preserving the Commodity Credit Corporation and keeping it in the channel for which it was intended and to render the service for which it was established are at least as much concerned as anybody else about its successful operation. We would, of course, have provided additional funds if it had been necessary. The only reason we did not provide additional funds was that there was no showing to justify it. We provided \$350,000,000 additional in the bill which was passed just after the veto when we extended the Commodity Credit Corporation until the 1st of January, 1944, and it was not insisted that it was needed. The truth is Dr. Hutson did not insist that they needed any more money and, of course, if they had we would have given it to them. I notice the Senate bill has provided for \$250,000,000 additional money. If they show any need for it, of course we would all agree, but that is not a matter in controversy. The minute they show a need for money to carry out any legitimate function it will be immediately authorized.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I think for those who are not members of the committee the RECORD should further show that Dr. Hutson told the committee that, due to the Commodity Credit Corporation's having liquidated some of its inventories, they did not need any additional funds at this time.

Mr. STEAGALL. I was not aware that he made the statement to the committee, and I hesitated to quote him, because I do remember that he made that statement to me in private conversation. In view of the gentleman's statement, I do not hesitate to quote what he said in a private conversation. There is no trouble about money. But why give them more than they need?

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. O'CONNOR. The gentleman spoke about inflation. Does the gentleman think there is anything inflationary about a price of \$1.59 for wheat in Chicago and 90 cents for corn in Chicago, bearing in mind the distance corn has to be shipped from west coast States, Montana, or even the east coast, to the city of Chicago?

Mr. STEAGALL. I have already indicated what I think about the situation with respect to inflation. Now, about this matter of subsidies, it is a long story, and I am not going to talk at great length. It is as simple as first arithmetic in a graded school that if you pay a part of a man's debt or pay a part of his living expenses, no matter what it is, you have put into your money supply that additional sum, no matter where it comes from; and, of course, any sum added to the billions that now exist with their inflationary pressure upon prices is in its nature inherently inflationary. There can be no denial of that proposition.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. WRIGHT. If we could be assured that if prices went up wages would remain stationary I would be inclined to agree with the gentleman, but I think any person with a realistic approach at the present time realizes that growing pressure for an increase in wages results in an increase in prices and that an increase in prices necessarily will cause an increase in wages and there you have inflation that much more.

Mr. STEAGALL. The gentleman does not mean to say that we have not had increases in wages already, does he?

Mr. WRIGHT. To a certain extent we have.

Mr. STEAGALL. He does not mean to say we have not had an increase in wages under the law as it exists while we are paying subsidies.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield further?

Mr. STEAGALL. Yes; I yield further to the gentleman.

Mr. WRIGHT. To a certain extent we have had increases in wages.

Mr. STEAGALL. That is what I am asking the gentleman, if we have not had increases in wages? And let me say to the gentleman that when we wrote the Little Steel formula into the second act there were many—I do not have the number—but many instances where labor was receiving a wage below the Little Steel formula. Is not that correct?

Mr. WRIGHT. I think that is correct.

Mr. STEAGALL. That is correct. Could we have justified establishing the Little Steel formula and have limited it to a portion of labor and denied others the benefit of it? Would it have been fair to have picked out some of those who by strikes or other means forced increases and left the others out? At the time we wrote that Little Steel formula into law we invited everybody below it to demand increases to equal the Little Steel formula, and it was inflationary in the amount of many millions. The Little Steel formula was highly inflationary, and it cannot be denied.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield further?

Mr. STEAGALL. I yield.

Mr. WRIGHT. It is true, is it not, that under our present economic set-up of wages and prices there cannot be an increase in price without an increase in wages?

Mr. STEAGALL. No; I deny that entirely.

Mr. WRIGHT. Is not the Little Steel formula conditioned upon the fact that there had been a 15-percent increase in the cost of living as of September last year? Now we have an increase above it and wages have lagged behind prices.

Mr. STEAGALL. We adopted the Little Steel formula arbitrarily. I have some figures that will show how they are hooked together.

Mr. PATMAN. Mr. Chairman, if the gentleman will yield, the gentleman is mistaken. The Little Steel formula was not written into law; that was a Labor Board decision, was it not?

Mr. STEAGALL. That is the standard we set up in the law.

Mr. PATMAN. It is a part of the War Labor Board's decision, I think the gentleman will find.

Mr. STEAGALL. I have something here that will be interesting right in that connection. The fact is there is not anything more ridiculous than to charge the farmer with responsibility for inflation when he receives less than one-tenth of the national income, an enormous national income that will run to perhaps \$150,000,000,000 during the present year. Let me say to my friend from Texas that since the passage of the Stabilization Act wages of industrial workers have increased 15 percent, while the cost of living has increased only 4 percent.

Mr. CRAWFORD. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Michigan.

Mr. CRAWFORD. If I understood the gentleman, who is now speaking correctly, a few moments ago, he gave us facts to the effect that for several years we have spent many billions of dollars in an effort to reflate prices back to the 1926 level.

Mr. STEAGALL. The President in a speech soon after he was inaugurated said that he was not going to stop until we reached the 1926 price level, but we did not reach it.

Mr. CRAWFORD. When we came along with the 1941 proposal and the 15 percent that has been referred to, we go far back into the period before we reached the 1926 level?

Mr. STEAGALL. Oh, yes; that is true.

The CHAIRMAN. The time of the gentleman has expired.

Mr. STEAGALL. Mr. Chairman, I yield myself 10 additional minutes.

Mr. CRAWFORD. The gentleman has pointed out to us very recently that we have reached the 1926 level. What sense would there be, for instance, in our going back below the price level of 1926 after spending billions of dollars in an effort to reflate to that point?

Mr. STEAGALL. We have had a leadership in financial circles in this country who have been lying awake at night and disturbing their souls over the danger of inflation year in and year out and they have been filling the press and speaking over the radio trying to alarm the public about it when 10,000,000 people were walking the streets of the country unable to find employment and farmers by the thousands were being turned out of their homes under

bankruptcy foreclosure. Prices were at destructive levels and the country was in a condition of danger that we do not like to speak of even at this late date.

Mr. O'CONNOR. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Montana.

Mr. O'CONNOR. Is it not true that the price of farm products before they leave the farm is scarcely more than the cost of production and if there is inflation with reference to farm products it happens after they get into the hands of the distributor?

Mr. STEAGALL. Oh, yes. I would like to talk a long time about that. We tried to include the cost of labor into the last act, but they have never followed it.

Mr. O'CONNOR. Is not the statement I made true that if inflation occurs with reference to farm products it occurs after they leave the farmer's place?

Mr. STEAGALL. That is what I am going to show you right now in reply to my good friend from Pennsylvania. Let me show you what has happened. You talk about farm prices and wages being yoked together. I will put these figures in the Record and some more. I cannot use them all this afternoon. But here is what the figures show:

Using the 1939 figures, beginning January 1940 at 100, the retail food prices were 95, in relation to 100, labor cost per unit of industrial production 97.5, factory pay rolls for employed workers 110. Mind you, this is in 1940, and do not forget that during the time between the passage of the first act and the last act wages had been rising by leaps and bounds during all those months without real interference.

Here they are on the 1st of January 1940, with the cost of living at 100: Factory pay rolls 110.2.

I will not give you all these figures. Let us come on down to December 1940. Cost of living 101, retail food prices 97, labor cost per unit of industrial production 103.6—from 97.5.

Coming on down to January 1941, cost of living 101, retail food prices 98, labor cost per unit of industrial production 105. I am not giving all of these. I will put them in the Record.

In December 1941, cost of living 110, retail food prices 113, labor cost per unit of industrial production 124.6.

In January 1942, cost of living 112, retail prices 116, labor cost per unit of industrial production 125.1. They cannot catch up.

December 1942, cost of living 120, retail food prices 133, labor cost per unit of industrial production 155.3.

January 1943, cost of living 121, retail food prices 133, labor cost per unit of industrial production 155.9.

August 1943, cost of living 123, retail food prices 137, labor costs per unit of industrial production 165. The figures show they have never been yoked together. What is the fact? The fact is your increase in the cost of living and the increase in the price of farm products follow increases in wages, they trail the increases of wages all the time, and they have never caught up.

Mr. MONRONEY. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. I would appreciate the chairman of the Committee on Banking and Currency telling us how he arrived at the labor cost per unit of industrial production.

Mr. STEAGALL. These are figures of the Bureau of Labor Statistics of the Department of Labor and are certainly as authentic and as carefully prepared and as worthy of consideration as any that were submitted to our committee in connection with this legislation and I may say they were submitted by one of the best informed men who has ever appeared before our committee. You can answer this in any way you see fit, because you will have it in the Record in the morning. Right here I wish to insert tables supplied by another witness who appeared before the committee who was also most informative, to which I invite attention and which I wish to give opportunity to refute or explain:

Percentage increase in average weekly earnings of workers in all manufacturing industries and in the cost of living since September 1942¹

Year and month	Weekly earnings	Cost of living
1942:		
September.....	0	0
October.....	2.9	1.0
November.....	5.2	1.7
December.....	6.5	2.2
1943:		
January.....	7.5	2.5
February.....	8.8	2.7
March.....	10.4	4.2
April.....	12.4	5.3
May.....	14.0	6.2
June.....	14.7	5.9
July.....	13.1	5.1
August.....	14.9	4.6

¹ Calculated from data compiled by the U. S. Department of Labor, and published in the October 1943 issue of the Survey of Current Business, U. S. Department of Commerce.

The "hold the line" order was intended to stabilize the cost of living and wages as of September 15, 1942. Between September 1942 and August 1943, the average weekly earnings of factory workers in manufacturing industries increased 14.9 percent. During this same period, the cost of living increased 4.6 percent.

Percentage increase in average weekly earnings of industrial workers and in the cost of living since January 1941¹

Month	1941		1942		1943	
	Weekly earnings	Cost of living	Weekly earnings	Cost of living	Weekly earnings	Cost of living
January.....	0	0	22.4	11.1	42.3	19.7
February.....	2.6	0	22.6	12.0	43.3	20.0
March.....	3.9	0.4	24.6	13.4	44.7	21.8
April.....	4.2	1.4	26.4	14.2	47.1	23.1
May.....	8.2	2.1	27.4	15.1	50.0	24.1
June.....	11.9	3.8	28.1	15.5	50.8	23.8
July.....	10.1	4.5	30.0	16.1	50.6	22.8
August.....	11.4	5.4	33.5	16.6	-----	22.2
September.....	14.7	7.2	38.5	16.9	-----	-----
October.....	16.5	8.4	37.5	18.1	-----	-----
November.....	16.8	9.3	38.8	18.8	-----	-----
December.....	17.9	9.6	40.4	19.4	-----	-----

¹ Calculated from data compiled by the Industrial Conference Board, and published in the Survey of Current Business, U. S. Department of Commerce.

The Little Steel formula allowed for an increase in wages of 15 percent in order to take

care of the rise in the cost of living between January 1, 1941, and September 15, 1942. Actually, during this period the average weekly earnings of industrial workers increased nearly 37 percent, compared with an increase of about 17 percent in the cost of living. In July 1943, weekly earnings of industrial workers were 51 percent above the January 1941 level, compared with a 23-percent increase in the cost of living.

Comparison of the real wages of industrial workers with the pre-war average

[1935-39=100]

Year and month	Wage income per employed industrial worker	Cost of living	Real wages
1935-39 average..	100.0	100.0	100.0
1941: January.....	118.7	100.8	117.8
1942: January.....	145.6	112.0	130.0
September.....	167.3	117.8	142.0
1943: January.....	173.4	120.7	143.7
February.....	177.2	121.0	146.4
March.....	181.1	122.8	147.5
April.....	184.1	124.1	148.3
May.....	186.2	125.1	148.8
June.....	185.5	124.8	148.6
July.....	186.8	123.8	150.9
August ¹	190.8	123.2	154.9

¹ Preliminary.

Data compiled by the Bureau of Agricultural Economics. Cost of living index compiled by the Bureau of Labor Statistics. "Real wages" is wage income divided by the cost of living and represents the purchasing power of wages.

In August 1943 the wage income per employed industrial worker was nearly 91 percent above the pre-war (1935-39) average. The cost of living was about 23 percent higher, making an increase in real wages of 55 percent.

The data following take into account the fact that many consumers are buying more and better quality foods, eating at restaurants more frequently, and the like, than they did when their incomes were lower.

Expenditures of consumers for food expressed as a percent of total income, 1929-43

Year and food expenditures as a percent of total income:	
1929.....	23
1930.....	24
1931.....	24
1932.....	25
1933.....	25
1934.....	24
1935.....	23
1936.....	21
1937.....	21
1938.....	22
1939.....	21
1940.....	21
1941.....	20
1942.....	21
1943 ¹	20

¹ Data for July 1943.

Source: United States Department of Agriculture, Bureau of Agricultural Economics, The Marketing and Transportation Situation, August 1943, page 12; May-June 1943, page 3.

Expenditures for food in relation to consumer's income are lower today than they were before the war. In July 1943, only 20 percent of the average consumer's income was required to purchase food, compared with 21 to 22 percent in the pre-war years and 25 percent during the depression of 1932-33. If consumers were now buying the same quantity of food as they did during the pre-war years of 1935-39, their expenditures for food would amount to only 16 percent of their incomes.

The data following are based upon the assumption that consumers had not changed

their buying habits and were purchasing the same quantities of food as they did during the pre-war period of 1935-39.

Percent of total consumer income required to purchase the same quantity of food as consumed in the pre-war period of 1935 to 1939

Year and percent cost of fixed quantities of food is of total income:

1913.....	28
1914.....	30
1915.....	26
1916.....	24
1917.....	31
1918.....	31
1919.....	33
1920.....	32
1921.....	28
1922.....	26
1923.....	24
1924.....	23
1925.....	24
1926.....	24
1927.....	23
1928.....	23
1929.....	22
1930.....	23
1931.....	22
1932.....	24
1933.....	25
1934.....	25
1935.....	25
1936.....	22
1937.....	21
1938.....	21
1939.....	20
1940.....	18
1941.....	17
1942.....	17
1943 ¹	16

¹ Data for July 1943.

Source: U. S. Department of Agriculture, Bureau of Agricultural Economics, The Marketing and Transportation Situation, August 1943, p. 12; May-June 1943, p. 3.

Food in terms of consumer incomes and pre-war consumption habits is cheaper today than any time in the last 30 years. If consumers purchased the same quantities of food today as they did during 1935-39, only 16 percent of their income would be required for food expenditures, compared with 20 percent in 1939, 25 percent in 1933, and 33 percent in 1919. Actually, higher incomes have resulted in many consumers buying more and better food, eating more meals at restaurants, and the like, than in pre-war years. Consequently consumers are now spending around 20 percent of their income for food.

Increase in average weekly earnings of industrial workers compared with the increase in food cost for a family of 4, January 1941 to July 1943 (based upon the assumption that there is only 1 wage earner in a family of 4)

	Average weekly earnings of industrial workers ¹	Estimated food expenditures per week for a family of 4 ²	
		Total amount spent for food, including meals at restaurants and the like	Assuming the same quantity of food was purchased as in the pre-war years 1935-39
January 1941.....	\$30.61	\$10.08	\$8.76
September 1942.....	41.79	13.68	11.16
July 1943.....	46.10	16.32	12.60
Increase January 1941 to July 1943.....	15.49	6.24	3.84

¹ Compiled by the National Industrial Conference Board and published in the Survey of Current Business, U. S. Department of Commerce.

² Estimated from data published in the Marketing and Transportation Situation, September-October 1943, table 6, p. 21. The figures for January 1941 were estimated on the basis of the data reported for 1940 and 1941.

The average weekly earnings of industrial workers increased \$15.49 between January 1941 and July 1943. During this same period a very liberal estimate placed the increase in the weekly food expenditure for a family of four at \$6.24. Assuming that there is only one wage earner in a family of four, the increase in earnings has been much greater than the increase in food expenditures. If the worker purchased the same quantity of food as in the pre-war years, food cost for a family of four would have advanced \$3.84 per week, compared with an increase of \$15.49 in weekly earnings. Part of the increase in food costs has been due to many families purchasing more and better quality food than when incomes were lower.

Estimated effect of subsidies upon the daily food costs for a family of 4 persons

Product	Amount of subsidy per unit ¹	Estimated annual civilian consumption per capita for 1943 ²	Effect on daily food cost for a family of 4 ³
Butter.....	5 cents per pound.	13.0 pounds.	0.71
Cheese.....	4 cents per pound.	4.9 pounds.	.22
Milk.....	1 cent per quart.	180.5 quarts.	1.98
Meat.....	3 cents per pound.	124 pounds.	4.08
Bread.....	1 cent per loaf.	92.5 loaves.	1.01
Sugar.....	1 cent per pound.	75 pounds.	.82
Vegetables.....	3.5 cents per No. 2 can.	19.2 No. 2 cans.	.74
Potatoes.....	1 cent per pound.	131 pounds.	1.44
Amount per day for a family of 4.....			11.00
Amount per day per individual.....			2.75

¹ Based upon or calculated from information released by the Office of Economic Stabilization.

² Based upon data published by the Bureau of Agricultural Economics, U. S. Department of Agriculture.

³ Calculated by multiplying the amount of the subsidy by the annual per capita consumption, then multiplying by 4 and dividing by 365.

The food subsidy program as now being applied by the Government amounts to about 11 cents per day for a family of four persons, or 2 3/4 cents per day per individual. Butter subsidies of 5 cents a pound amount to about 65 cents per year per person. A bread subsidy of 1 cent per loaf would amount to less than \$1 per year per person. The present consumer subsidy program amounts to around \$10 per year per person.

Disposition of income payments to individuals in the United States, 1939-44

	[Millions of dollars]					
	1939	1940	1941	1942	1943 ¹	1944 ¹
Income payments to individuals.....	70.8	76.5	92.2	115.5	142	157
Less: Personal taxes and nontax payments.....	3.1	3.3	4.0	6.6	16	20
Amount left for consumers to spend.....	67.7	73.2	88.2	108.9	126	137
Consumer expenditures.....	61.7	65.7	74.6	82.0	90	90
Unspent funds or savings of individuals and inflationary gap.....	6.0	7.5	13.6	26.9	36	47

¹ Last half of 1943 estimated. The 1944 figures taken from a speech by Judge Vinson before the Investment Bankers Association, Chicago, Ill., November 1943.

Source: Survey of Current Business, U. S. Department of Commerce.

Total income payments to individuals in 1943 were estimated at \$142,000,000,000, compared with \$71,000,000,000 in 1939. After allowance is made for taxes and the greatly increased consumer expenditures, \$36,000,000,000 of the 1943 income will remain in the hands of consumers as unspent funds or savings, compared with only \$6,000,000,000 in 1939. A national income of \$157,000,000,000 is estimated for 1944, with \$47,000,000,000 remaining in the hands of consumers as unspent funds or savings. Herein lies the inflationary gap—more money to spend for less goods. This gap has been widening each year since the beginning of the war and has a cumulative effect from year to year that becomes a more important inflationary factor each day the war progresses. This excess buying power is showing up in many ways. The sale of furs in 1943 was 104 percent above the corresponding period of 1942. The sale of coats and suits increased 65 percent, and the sale of flowers was 30 percent above a year earlier.

Cost of the war program to the U. S. Government (cumulative totals)¹

[Billions of dollars]			
Year and month	Program ²	Commitments ³	Cash expenditures ³
1940:			
July.....	9.4	4.0	0.2
December.....	21.4	14.5	1.9
1941:			
June.....	38.1	29.2	6.7
December.....	77.7	52.8	15.8
1942:			
June.....	175.6	133.9	34.9
December.....	237.9	183.8	68.2
1943:			
June.....	275.8	223.5	110.0
July.....	339.9	230.3	116.8
August.....	339.7		124.3

¹ Survey of Current Business, June 1943, p. 29, and October 1943, p. 8-18 U. S. Department of Commerce.

² The war program includes the money appropriated by Congress. Commitments include contracts awarded and the like. Cash expenditures are the amount of disbursements by the United States Treasury.

World War No. 1 cost the United States around \$32,000,000,000. By August 1943 the Congress of the United States had appropriated nearly \$340,000,000,000 for the prosecution of World War No. 2. Commitments, which are made up largely of contracts awarded and the like, totaled around \$230,000,000,000. The actual cash paid out by the United States Treasury for war purposes amounted to over \$124,000,000,000.

Per capita share of the national debt, World War No. 1 and World War No. 2 as of Oct. 31, 1943

	Total national debt	National debt per capita
	Billions of dollars	Dollars
World War No. 1:		
Pre-World War No. 1 debt (Mar. 31, 1917).....	1.3	12
Highest World War No. 1 debt (Aug. 31, 1919).....	26.6	250
Lowest Post-World War No. 1 debt (Dec. 31, 1930).....	16.0	130
World War No. 2:		
Pre-World War No. 2 debt (Nov. 30, 1941).....	55.0	412
World War No. 2 debt 1 year ago (Oct. 31, 1942).....	92.9	686
World War No. 2 debt 1 month ago (Sept. 30, 1943).....	158.3	1,156
Present World War No. 2 debt (Oct. 31, 1943).....	165.0	1,204

¹ Does not include guaranteed obligations of the Government agencies, which amounted to 4.1 billion dollars.

Source: The Chicago Journal of Commerce, Nov. 4, 1943.

The national debt per capita on October 31, 1943, amounted to nearly \$1,204, or an average of \$4,816 for a family of four. During the month of October 1943 the per capita national debt increased approximately \$48, while the increase for the year ending October 31, 1943, amounted to about \$517. The highest peak the national debt reached during World War No. 1 was about \$250 per capita, or \$954 less than the present debt burden.

Mr. DONDERO. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Michigan.

Mr. DONDERO. I was interested in the statement regarding the price of hogs. In spite of a floor being placed under the price of hogs, guaranteed to the farmer, the price went below that recently because of the large supply. The natural law of supply and demand does have something to do with prices, does it?

Mr. STEAGALL. I do not know about that. I cannot answer the gentleman as to the specific item. My head is swimming these days. But at last accounts the law of supply and demand was still doing business at the same old stand. Of course, a child knows when you want to get increased production, the more you pay for it the more you get and the easier it is to get. Let no one say that the farmer is undertaking to raise prices and turn on a flood of wild inflation to imperil the war program. Nobody favors anything like that. The farmer only asks a fair deal and a price that no one denies is fair and just. The truth is this unnecessary interference with the law of supply and demand, this meddlesome and impractical method of administering the law has confused the people of the country. They do not know where they are. They encounter so many regulations, so many senseless rules, and so many indefensible methods of enforcement, that we face a storm of complaint and criticism to the extent that no Member of Congress can read his mail or keep track of all that is going on.

Let me say this. I had some responsibility in the passage of the Price Control Act. I thought it was necessary. I think some good has been done and I think they have rendered a good service to a certain extent. But I cannot say that I endorse the methods employed in the administration of the act, and, to be perfectly frank about it, I do not for a moment endorse the viewpoint or the philosophy of the controlling minds directing the administration of the O. P. A. Act.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I do not want to take much more time. I would like to yield, but I am anxious to conclude.

Mr. MARCANTONIO. I just want to get a clarifying statement from the gentleman.

Mr. STEAGALL. I have taken more time than I should have, anyway.

I do not like to have to differ with my good friends, I do not like to have to differ from some of those who are advisors of our administration in these matters, but boys I have been back home. Please do not understand that I have reached the

age where I should be giving counsel so much. The Bible says old men for counsel. I do not want to be classed in that category, but if I were going to advise, I would advise some of my friends to steal away for a few days and go home and talk with their neighbors and friends and discuss these things. Or if you will just come over to my office and read a lot of the mail I cannot find time to read, I think it would be informative, and it might not serve a bad purpose in 1944. Of course, as for myself, I am innocent of politics.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. STEAGALL. Mr. Chairman, I yield myself 5 additional minutes.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield to my good friend from New York.

Mr. BARRY. Back in the days when there were great farm surpluses and the farmer could not get any price for his product, did not the gentleman from Alabama, when he voted for parity payments, vote against the law of supply and demand?

Mr. STEAGALL. Let me ask the gentleman something.

Mr. BARRY. Answer me first; do not ask me a question.

Mr. STEAGALL. I want to ask the gentleman a question. If there was a law ever passed by the Congress to guarantee farmers a parity price, I would like to find it.

Mr. BARRY. They guarantee 85 percent of the parity price.

Mr. STEAGALL. No.

Mr. BARRY. And they guarantee a support price right now.

Mr. STEAGALL. No; but the gentleman said parity. We went along here for years with farmers by the thousands thrown into bankruptcy. Agriculture became a national problem. We knew the dangers of those days, we were alarmed, and as a relief measure we passed an act providing for loans up to a certain percent of parity. The farmers of my own section of the country got only 60 percent of parity for years on those loans.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Montana.

Mr. O'CONNOR. Is it not true that with all of the laws we have passed up to date to aid the farmer he is still not guaranteed the cost of production of the products he produces?

Mr. STEAGALL. Not only is he not guaranteed the cost but they refuse to obey a law which provides that increases in prices shall be made to cover cost of production. That is in the second Price Control Act. We put some things in that bill, you know, as we went along in the interest of agriculture. We had to do it by sleight of hand or with a sledge hammer, but we were not asleep all the time! Let me show you what we wrote into that law. This law, which saved the country from the destructive effects of the 110-percent parity provision of the first act by conferring further blanket

authority under which the general price level has been permitted to rise to nearly 120 percent of parity:

Provided further, That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case where it appears that such modification is necessary to increase the production of such commodity for war purposes, or where by reason of increased labor or other costs to the producers of such agricultural commodity incurred since January 1, 1941, the maximum prices so established will not reflect such increased costs: *Provided further*, That in the fixing of maximum prices on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing: *Provided further*, That in fixing price maximums for agricultural commodities and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, as provided for by this act, adequate weighting shall be given to farm labor.

Let somebody tell me when that law has been obeyed or when the slightest attention has been paid to it, and it is as plain as language can make it.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman for a question.

Mr. MARCANTONIO. The gentleman mentioned the Little Steel formula in his talk. I should like to get the gentleman's position on this. Does the gentleman believe in the retention of the Little Steel formula and at the same time permitting unbridled spiraling of prices? We have to face that condition today or tomorrow. Let us have the gentleman's position on it.

Mr. STEAGALL. I do not yield to the gentleman to make a speech. I hope he may make one, but not now. Of course, all this will be fully discussed before we get through. I shall put some more pertinent figures in the Record so that Members may have an opportunity to answer them before we vote on this bill.

Let me say something to our farmer friends in this House, and I speak especially for my own section of the country. I do not believe there is anybody in this House who knows me who thinks there is any sectionalism or bitterness in my soul. I do not believe those who know me credit me with selfish partisan purposes in my views respecting this or any other economic legislation.

The CHAIRMAN. The time of the gentleman from Alabama has again expired.

Mr. STEAGALL. I shall take 5 minutes more. I am speaking more particularly of the people of the section of the country with whom I am best acquainted. I do not say this in bitterness, but we have been penalized by Government subsidies to railroads which did not carry by railroad rate discrimination any of the benefits to our people. The same is true of tariff, of patent beneficiaries and other things that siphoned away from our people and which if retained and utilized under the leadership which our section has always afforded would make our sec-

tion the garden spot of this land. For many years we contributed our part for the support of the surviving soldiers of the North. We did it cheerfully. We did it when we were not able to do any decent measure of justice to the glorious heroes of the Confederacy. We were required to pay, but we did not participate in the benefits. These things contribute some of the reasons why our land down yonder—blessed as it was of God, and no man will deny that we have had able and worthy leadership in all the years of our history—has been called the Nation's economic problem No. 1. I ask Members here what benefit our people will get from food subsidies paid out of the Treasury of the United States and that, too, at a time when the Government needs the support of every citizen as never before since our flag was first lifted in triumph on the shores of this Western World, and when the citizen has the least need for Government largess.

What benefits are our people going to receive? We are going to be required to pay out of our taxes our proportionate part of this subsidy program that will end, only God knows where. Talk about a little bit of inflation being hard to stop. Let a man get his hand into the Treasury of the United States and don't ask me to find a way to get it out. Our people and it is true with the farmers of the Nation, have been laboring under hardships, and unjust burdens, and discriminations, for more than half a century. They have been forced, in violation of sound economic laws, to abandon the production of things the world needs, which we are best adapted to produce and have been compelled to return to primitive methods and to produce our own food and live at home. What good is a food subsidy going to do to the farmers of Sand Mountain in Alabama? What good will it do to the farmers of Georgia who are forced to raise their own food? We are going to be taxed again to pay the bill but we will not be allowed to participate in the benefits.

The CHAIRMAN. The time of the gentleman from Alabama has again expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself 30 minutes. I do not think there has ever been a more fundamental question before the Congress since the War between the States than this question, the so-called question of subsidies. It presents a fundamental problem which must be solved by the Congress as representatives of patriotic American people. I think the basic problem before this Congress in connection with the subsidization of consumer prices is the perpetuity of the American form of Government.

The fundamental objection to consumer subsidies is that they socialize agriculture. Now, that is a theme which has been discussed in connection with this bill by some who are really and sincerely concerned about the trend in this country toward socialism. I merely make that opening statement so that as I talk along here, rambling, as I probably will, you may have in mind that behind my remarks there is a full real-

ization that unless we solve this problem correctly we can expect, perhaps, a socialization of agriculture. I think anyone will agree that would be more or less disastrous and might result in the destruction of the American form of Government.

I have been burdened with my thoughts about this bill, and I do not think there is any Member of Congress but who has given a great deal of study to it, and I know so far as we, who oppose consumer subsidies are concerned, there is no ill feeling. I wish it were just an academic question which we are discussing, so that we really could get "het up" about it without doing the country any harm. But we do not charge that when a proponent of consumer subsidies makes an exaggerated statement he is less patriotic than we; that he is less sincere; that he is more partisan. In the discussion of this bill in the committee in May, in June, and in the debates on the floor in July, in the discussions of the committee in respect to this particular bill over the radio and in these Halls, there has been a minimum of politics injected into this measure. I want to assure you, Mr. Chairman, that this is too big a question to be discussed in the light of partisan politics. It is too important a problem to be solved along partisan lines. There must be unanimity of purpose in this committee today, and tomorrow, and until we dispose of this question if we are to perpetuate the American form of government.

Why are we opposed to the payment of consumer subsidies? Is it from selfish motives? The argument has been made here repeatedly, the farmer gets no more and no less. He gets no more and no less whether we adopt this bill or not. I do not see how those who are in favor of subsidies can argue that way and then argue that those of us who oppose subsidies are selfish and partisan, and that there are political questions involved. It just so happens that there are many farmers and many working people, many professional people, and many business people, on both sides of this question, just as there are many Republicans and many Democrats on both sides of the question. I hope that from now on in these discussions no attempt will be made to label this a political bill, but one in which each individual Member of the Congress exercises his own judgment in the manner in which he does his duty under his oath, under his promise to his constituency, to preserve, protect, and defend the American way of life. Those are broad charges, I am sure, and should be justified. Now, the reason why, I presume, the farmer is opposed to the payment of subsidies, that is, consumer subsidies, is because it is the first step to regimentation and control, the first step, which eventuates in that farmer finding himself under the yoke of bureaucracy where free enterprise on the farm is destroyed, where the Government, through its several bureaus, tells the farmer when and what to sow, when and how much he shall reap; tells the processor what he shall process and how he shall process

it; and tells the distributor how, where, and when, and to whom, he shall distribute the products of our farms.

In other words, consumer subsidies begot control and encourage an expansion of the program. What have we seen in the last few months? We started out very moderately to roll back the prices of butter and meat. The charge was made at that time, if you will recall, the most exaggerated claim, that because the price of butter and meat had been rolled back a few cents, the price of living had been rolled back 10 percent. That is where the trouble started in respect to this question, the exaggerated claims of those who would pay roll-back subsidies to cover up the mistakes of administration, and the making of exaggerated statements that, because they had rolled back the price of butter 5 cents a pound and the price of meat less than 3 cents a pound, they had ipso facto rolled back the price of living 10 percent. Anybody who was not a fit inmate for a lunacy asylum could have seen there was something more behind the payment of consumer subsidies than an endeavor to hold any line which had been established. Behind it is the lust for power.

Subsidies beget subsidies, and if we encourage the expansion of the present program and if we do not stop the program where it is, what have they told you is going to be the next step? It is going to be, first, the purchase of the entire citrus fruit crop. Then the purchase of the entire bean crop. Then the ultimate control from producer to consumer, of all dairy products, and finally the control of the production, processing, and distribution of all foodstuffs.

Mr. Chairman, in August I came to Washington to see what was going on. We had been told in conference when the other bill was before us that there would be no expansion of the roll-back subsidy program. I found when I arrived here that they were not going to have any more roll-backs as such, but that it was their purpose, and plans had already been made, to buy the entire crop of several agricultural products at a so-called support price, and sell it back to the consuming public for a parity price or ceiling price. Of course, that would have been as effectual a way to roll back prices, as to do it directly. That was the payment of a consumer subsidy by subterfuge. While one of the departments of the Government was denying to me that that was their program, they were advising my bean men that same day they were to be the agencies through which the entire bean crop of the United States would be bought at the so-called support price and sold back to the consuming public at a lower price.

So in this bill we have provided against the consumer subsidies by subterfuge, and we have provided that all of these support price programs and subsidy programs shall stop as of December 31 of this year.

Now, it has been said on this floor repeatedly by those who have read no further, or perhaps reading further found language which did not support their

views, that we were destroying the support price program and we were destroying the loan program. Then if they were fair enough to have told you the facts about it, they would have called your attention to the fact that in that same paragraph, after we have stopped the existing programs, so that they could not pay subsidies by subterfuge, so that they could not effectuate consumer subsidies by manipulation of the support-price program, they would have told you that there is a directive, a mandate in this bill to continue to support prices; to continue to make loans under and in accordance with the terms and conditions of the law.

Therefore, in the discussion of this bill, in the solution of this problem, we have got to distinguish and have clearly in mind the distinction between producer subsidies, which are not interfered with in this bill, nothing to the contrary notwithstanding, and consumer subsidies, which we prohibit.

Mr. BARRY. Mr. Chairman, will the gentleman yield at that particular point?

Mr. WOLCOTT. No, not now.

Mr. BARRY. For a short question?

Mr. WOLCOTT. I would rather go on a little further. I know what the gentleman is going to ask.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield for information at that point?

Mr. WOLCOTT. I would prefer not to yield right now.

If members of the committee will refer to the report on page 5, I will read you some language to substantiate that.

The courts, in interpreting law, interpreting the legislative intent, always consider the committee report. For that reason, the committee report has made it very clear that it is not intended to in any manner interfere with existing law whereby support prices may be announced and loans may be made to support the floor under agricultural commodities.

About halfway down in the discussion of section 3, the majority report says:

Therefore this section prohibits new consumer-subsidy programs from being announced and prohibits payments on existing consumer-subsidy programs subsequent to December 31, 1943.

You will note the term "consumer subsidies" is always used to differentiate between producer subsidies.

Then the report goes on to say:

This section does not prohibit nor interfere with any operation of the Commodity Credit Corporation or any other agency of the Government with respect to producer subsidies or loans authorized under existing law, including the Emergency Price Control Act of 1942 as amended and supplemented by Public Law 729, Seventy-seventh Congress, approved October 2, 1942, and it does not prohibit or interfere with support prices or the use of Commodity Credit funds made available to the Commodity Credit Corporation by existing law, including section 4 of Public Law 147, approved July 1, 1941, as amended.

Now, let us be fair about this situation. Although we direct the War Food Administrator, the Department of Agriculture, or whoever happens to be ad-

ministering this particular part of the law, the Commodity Credit Corporation, to continue to support prices and to continue to maintain floors in accordance with the so-called Steagall amendment to the Commodity Credit Corporation Act, we do say that if it is necessary to put a support price above a parity price for the purpose of encouraging the maximum amount of production so that we will have adequate food, then and then only will the price have to be increased to absorb that particular price, because the law expressly says that the President or the Administrator of O. P. A. may set a ceiling on any agricultural commodity at parity. So he cannot set a price less than parity. We say that the price must be increased if the support price is above parity so they will no longer be able to manipulate the support price program to effectuate consumer prices and therefore we assure the farmer, we assure the producer or the processor or wherever the additional expense may be that he is to get the benefit of the support price as we really intended he should for the purpose of encouraging him to increase the production of his product. In other words we make sure that if a support price is put on a product to encourage production it is going to have its effect, the farmer is going to get it, because it was for the farmer that it was put up; it was not for the consumer.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I prefer not to yield just now.

Mr. Chairman, the payment of consumer subsidies begets subsidies. If we must adopt a new philosophy of government whereby the Treasury of the United States must pay the food bill of any part or of all of our population—I will put it that way—why do they stop there?

Mr. FORD. Mr. Chairman, will the gentleman yield at that point?

Mr. WOLCOTT. Not at that point. I will advise the gentleman when I care to yield.

Mr. Chairman, the price of clothing is going up. Have I not as much right to have a subsidy on a suit of clothes that I buy as I have on the food I eat? It is an element of the cost of living. If we succumb, if we do not answer strongly this threat to inflation by certain so-called leaders, then we must assume that if we bend the knee to them now in this particular bill, in a month or 2 months they will want a subsidy on rent; they will want a subsidy on clothing; they will want a subsidy on shoes; they will want a subsidy on luxuries; they will want a subsidy on all of the things which, in their opinion, are necessities of life; otherwise they are going to continue to hold a bludgeon over this Congress and say:

"If you do not pay our bills for us then we are going to strike, we are going to tie up the production of war machinery, we are going to stop this war for you if you do not pay our grocery bill, if you do not pay part of our cost of living"—and this, my friends, when according to the Bureau of Agricultural

Economics of the United States Department of Agriculture the total cost to consumers of fixed quantities of food making up the typical consumer food basket was smaller in relation to average consumer income in recent months than at any other time on record. If the people of the United States cannot afford to pay the cost of living at the present time with family income higher than it ever has been in the history of this Nation when in God's name can they do it? Are you going to continue this policy following this war? Adopt it today and you will continue it as a permanent philosophy of Federal Government for generations and maybe centuries to come to the prejudice of the American standard of living.

Is it inflationary? First, let me say again that consumer subsidies beget consumer subsidies. A little of it is splendid, you will like it, you will love it, you will save yourself 5 cents a pound on butter. "Ha! ha! The Government is going to pay 5 cents of my butter bill. That is splendid! That is easy money! So why should we not continue this? Why should we not expand it? Why should not the Government pay a little of my meat bill? Fine! Why should not the Government pay my bread bill? Why should not the Government pay my bean bill? Why should it not pay my milk bill, my cheese bill, my shoe bill, my rent bill, my clothing bill?"

The President can say that inflation is like a drug—you get a little dose of it and you want another. I do not know, but I have been told that that is the way it operates. It seems to me that if there is a greater danger in the country today of the drugging of the population who are gullible enough to think they are getting something for nothing, greater than in the drug which the President called inflation, it is in subsidies. Let me repeat my question: Is the payment of consumer subsidies inflationary? Will they increase the national debt? To begin with, if you subsidize the consumer's grocery bill or his clothing bill by two billions you compel him to pay—collectively, of course—back into the Federal Treasury over four billions.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself 10 additional minutes.

The CHAIRMAN. The gentleman from Michigan is recognized for 10 additional minutes.

Mr. WOLCOTT. We are all in agreement on that. The gentleman from Texas [Mr. PATMAN], who, although he has made some very much exaggerated statements on this question, seems to be in perfect accord with us on the proposition that every time we raise the national debt a billion dollars we have to pay it over several times. I will repeat what he said about that yesterday. He said:

In the first place, if we pay a dollar now, that is equivalent to saving two or three dollars in the future—

I say only an additional dollar; he says three; I do not know; it is somewhere in between—

because, if you have to borrow that dollar, and you pay interest on the dollar, the interest on a long-time bond, the history is that by the time you pay back the dollar on that bond you will have to pay two or three times the amount of it in interest, in addition to the \$1 that was borrowed. So that for every dollar we pay now we save these returning soldier boys, if you please, the obligation of not only paying the \$1 but of paying two or three times the amount of it in interest.

Well, our worthy colleague has done himself proud. He has advanced his philosophy of this bill courageously if not intelligently. If we pay \$2,000,000,000 in subsidies today these same boys that he refers to coming back from the front—and I did not intend to mention this until he did yesterday, we did not want to bring the soldiers and sailors into this—will have to pay it. We will refer to my boy. He is not old enough to go to war. For every dollar the Government pays of my grocery bill today, my boy has got to pay \$2. For every 5 cents that we save on butter today he and his generation has got to pay 10 cents.

O Mr. Chairman, let me tell you, there is a moral question involved here. Where is the American with blood so thin, may I say so yellow, that he would pass on to posterity, that he would pass on to his sons and daughters, that he would pass on to the men fighting our battles—and I use that only because it was used yesterday—the payment of any part of the grocery bill for the food which you and I are eating today; at a time when the national income and the family income is higher than at any time in the history of the United States? I do not want to hang my head in shame 10 or 15 years from now when my boy might come to me and say: "Dad, these taxes are high. These taxes are high because you did not pay your grocery bill back in 1943. I am paying your grocery bill today. That was a dirty trick you played on me, dad." I do not want my boy to be able to say that.

Are consumer subsidies inflationary? For every dollar you pay in consumer subsidies you increase the purchasing power of the individual by \$1 or the purchasing power of the Nation, any way you want to put it. When you increase the purchasing power of the Nation, you are pressing right up against that inflation ceiling.

What causes inflation? We all agree it is spending by the Government. The spending by Government today has caused the depreciation in the value of the currency which is reflected in higher prices and, remember this, which I say parenthetically, an increase in prices seldom if ever induces inflation. The increase in the prices is the result of inflation. Think that over. It is the result of the depreciation of the value of the currency by other causes which the gentleman from Alabama has so ably covered.

Do consumer subsidies cause inflation? Of course they do, and let me reiterate that we increase the volume of purchasing power at a time when there is a constantly decreasing availability of consumer goods.

Do consumer subsidies cause inflation? The worthy gentleman from North Carolina [Mr. DOUGHTON] and his committee have been working for years trying to solve the problem by siphoning off purchasing power so as to diminish the differential between the national income and the dollar value of consumer goods. Anything which tends to widen that breach, anything which tends to enlarge the differential between the value of consumer goods, on the one hand, and the national income on the other, makes further taxes necessary. So you see, you get right back to the point that if you get the subsidy to pay your grocery bill you have got to be taxed for that money.

You are going to hear a great deal during these debates about individual income, about the relatively fixed incomes of the white-collar workers and Government workers, as well as the annuitants, the pensioners, and so forth. There are undoubtedly some of those who will continue to need some help, which is always a problem of Government. I want you, the members of the committee, to just sit down when you have the time, when it is quiet, and think of your friends, your neighbors, your acquaintances, not as individuals but as families and see how many of the families within your acquaintanceship have not had their family income materially increased during this period of war and war expenditures.

Let me cite you what I consider a typical example of a typical American family. I have in mind a man with a family. He has four children. He has the same income today that he had last year. It is not material what the amount is, but he has the same income today that he had last year. Last year at this time he was supporting himself, his wife, and four children. Today, on that same income, he is supporting himself, his wife, and two small sons. One of his boys is in the service, sending money home to dad, for which dad is buying bonds and laying them aside for the boy when he comes home. One other, a girl, has a position down here in the War Department. She is keeping herself. Has not the purchasing power of that man been increased materially? Has not the family income been increased materially? His individual income has a purchasing power today greater by 35 percent than it had last year, and the entire family income has been increased by two of the family being in position to get some return for their employment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself 10 additional minutes.

Mr. Chairman, think about that and determine for yourself how many families have not had an increase in family income during the last 2 or 3 years.

I want to get to a statement made by Chester Bowles, Administrator of the C. P. A. Mr. Bowles in a statement night before last, as he is quoted in the press, says that if we do not authorize the payment of \$800,000,000 the cost of living is going up \$8,000,000,000. I have been with this subject for the last 2 years

and I do not think heretofore anybody has ever made quite such a fantastic claim and I cannot conceive of my good friend, Chester Bowles, on his own initiative, on his own responsibility without somebody having suggested that he should do it because this bill was coming up, making any such absurd statement as that. Needless to say, it is not borne out by any facts. Let us say that instead of increasing the cost of living by \$8,000,000,000 it will increase the taxes according to my friend, Mr. PATMAN's figure, up to \$2,400,000,000.

Mr. Chairman, I want to read a statement which I made when this bill was reported out and when the intent of the committee was fresh in my mind.

The action of the Banking and Currency Committee in reporting a bill which will prevent the payment of consumer subsidies is a decided victory for the majority faction in Congress who are opposed to the socialization of agriculture. The basic problem before Congress in connection with the subsidization of consumer prices is the perpetuation of the American form of government. The fundamental objection to consumer subsidies is that they socialize agriculture. The Congress, as representative of American patriotic thought, must exercise its constitutional prerogative to stop this trend toward socialization.

The bill continues the life of the Commodity Credit Corporation to June 30, 1945, or to such earlier date as may be fixed by the President by Executive order. It does not provide for any additional funds. The committee felt that if the Commodity Credit Corporation was to be prohibited from paying consumer subsidies, their present borrowing and loaning capacity of \$3,000,000,000 was sufficient. It will be recalled that they were given an additional \$350,000,000 in July, bringing their total borrowing and loaning capacity to an even \$3,000,000,000.

The bill prohibits funds of the Commodity Credit Corporation or any other governmental agency from being used to make subsidy payments or to pay or absorb losses on agricultural commodities to reduce or maintain or in lieu of increasing maximum prices, except that the Commodity Credit Corporation may sell at a loss perishable fruits and vegetables owned and controlled by it, the increased production of which has been requested by the War Food Administrator if there is danger of substantial loss through deterioration by spoilage.

We made it very clear in that language that the deterioration should not be in value but in quality by qualifying the word "deterioration" by the words "by spoilage." In short, it prevents the payment of consumer subsidies but preserves the policy of paying producer subsidies for the purpose of obtaining the maximum amount of essential foods.

The bill authorizes the continuation of any subsidy program initiated previous to October 13 but provides that these subsidies cannot be paid after December 31, 1943. In accordance with this provision the present subsidies on butter and

meat would stop on December 31, 1943, but the milk subsidy in all probability would be continued if this subsidy is reflected back to the producer and is necessary to obtain a maximum amount of production.

The bill gives the assurance that the producer of foods will obtain the benefit of any support prices, and support prices cannot be manipulated to defeat their purpose by being used to effectuate consumer subsidies. The bill is an anti-inflation bill, nothing to the contrary notwithstanding. It is a forward step not only to preserve the American form of government but to prevent inflation; it prevents a widening of the gap between national income and the dollar value of consumer goods, thereby obviating the necessity of increasing taxes by at least \$2,000,000,000. It siphons off purchasing power at the source, thereby relieving the pressure on the inflation ceiling; it prevents our sons and daughters and the members of our armed forces after they have returned from the battle fronts from having to pay tomorrow a part of our grocery bill for the food which we are eating today.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from New York.

Mr. BARRY. I am having some difficulty following the gentleman's attempt to distinguish between consumer subsidies and producer subsidies, because before the war broke out there was no shortage of food. My question is, does the gentleman contend that subsidy payments under the Triple-A Act and the Soil Conservation Act which were made to the farmers to keep them from producing were producer subsidies?

Mr. WOLCOTT. I think payments made under the Agricultural Adjustment Act and the Commodity Credit Corporation Act to encourage them to expand production were the subsidies I mean in respect to producer subsidies. I think the question may be answered in this way. If the subsidy is primarily for the purpose of establishing a maximum price or maintaining a maximum price or in lieu of increasing the maximum price, then it comes within the prohibitions of this act. I think that kind of subsidy is a consumer subsidy.

Mr. BARRY. That form of subsidy is to maintain purchasing power, to maintain the price, just as this proposition is to give the consumer purchasing power. There was never any shortage in any farm commodity before the war broke out.

Mr. WOLCOTT. We had a surplus before.

Mr. BARRY. Why did you need producer subsidies? There is no difference between a consumer subsidy and a producer subsidy.

Mr. WOLCOTT. I think the gentleman from months of very attentive consideration to the subject in the committee knows what we mean by a consumer subsidy and a producer subsidy.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. The payments made under soil conservation and parity payments were made to keep production down, restricting acreage. It was a program of scarcity. That program is now out the window. 1944 will be the first time that we shall have free production and full production in the United States. Under the program of scarcity farmers were penalized and assessed heavy penalties if they produced more than they were allowed to produce under the triple A program.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Montana.

Mr. O'CONNOR. I should like to have the gentleman's opinion on this question. Can a subsidy, even a producer subsidy, be handed to the producer or handed on to the producer, giving him the benefit of it, unless we establish a floor price in company with the subsidy? In other words, do we not have to have a floor price before we can pass on a subsidy, regardless of to whom it is supposed to be paid?

Mr. WOLCOTT. Yes, and the only subsidies in which we are interested in that respect are those subsidies which are payable when support prices are above parity. We have said in the O. P. A. Act that no maximum prices shall be established below parity. So the only ones in which we are interested are those relatively few cases where the floor prices are above parity prices, and they are all listed in the hearings.

Mr. O'CONNOR. My question is, Does the subsidy pass to the producer unless we have a floor price? Is there any assurance that he is going to get it unless we have a floor price?

Mr. WOLCOTT. You have the floor price underneath them anyway. You always have the floor on all these commodities. As a matter of fact, the support price is a floor.

Mr. O'CONNOR. But we do not have any floor price; we have support prices but no floor prices.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself 5 additional minutes.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from New York.

Mr. MARCANTONIO. The gentleman asked a question of every Member of the House. He said, "Look around and see if there are any families whose incomes have not been increased." I think the gentleman is unaware of the hundreds of thousands of white-collar workers, and is also unaware of the hundreds of thousands of pensioners, policemen, firemen, and other civil-service employees who have not had an increase in income. Without debating the general proposition at this time with the gentleman, I say that the increase in the cost of living has brought about a reduction in income on the part of practically every consuming family in the United States.

Mr. WOLCOTT. Did the gentleman vote for the Price Control Act?

Mr. MARCANTONIO. I did.

Mr. WOLCOTT. Let me call the gentleman's attention to that fact, that you wrote a mandate into the Price Control Act to raise the prices. Do you know that?

Mr. MARCANTONIO. I disagree with the gentleman on that.

Mr. WOLCOTT. Oh, you do?

Mr. MARCANTONIO. Will the gentleman read that section?

Mr. WOLCOTT. Yes, I am going to.

On October 2 we directed the President to stabilize, as far as practicable, on the September 15 level, and we set up certain standards in respect to agricultural prices. Then on page 2, in a proviso which was not hidden, by any means, we provided:

That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case where it appears that such modification is necessary to increase the production of such commodity for war purposes, or where by reason of increased labor or other costs to the producers of such agricultural commodity incurred since January 1, 1941, the maximum prices so established will not reflect such increased costs.

When you set, as the Administrator did, a price on canned goods, and then the labor costs in the processing industry were increased, thereby increasing the cost of producing those canned goods, there was a distinct mandate to the Price Administrator to raise the price. The gentleman voted for it, as we all did. We have mandated the Office of Price Administration to do exactly what some of you are objecting that they do today. You would have to virtually repeal existing law if you were to do otherwise.

Let me go a little further with this:

Provided further, That in the fixing of maximum prices on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing.

You voted for that and you did not quibble at all about it. You said, "He cannot put a price less than is necessary to get the maximum amount of production." That is all we say in this bill. That is everything we say. All we do is to reiterate the policy established in the Price Control Act and make them do what we told them to do on October 2.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. MURRAY of Wisconsin. Another concrete example is when the Secretary of Agriculture at a time when hogs were at 11 cents, putting a floor of \$13.75, Chicago, or between 110 or 115 percent of parity, at the time, and he was following that particular part of the law, and the reason he gave for doing so was to increase the production of pork in connection with the war.

Mr. WOLCOTT. What we want to do is to straighten out some of these bureaus and tell them that Congress is not going

to stand for their constantly flouting the clear intent of the Congress as expressed in the law under which they are operating.

Mr. SUMNERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. SUMNERS of Texas. As I understand the statement of the gentleman this money that it is proposed to supply is simply to pay a part of the price of the food which is consumed by us. Is that right?

Mr. WOLCOTT. Or try to prevent the use of money for that purpose.

Mr. Chairman, I will take 2 minutes more.

Mr. SUMNERS of Texas. Now, then, the Government has not got any money, has it?

Mr. WOLCOTT. It has to raise it through Congress by imposing taxes or selling bonds.

Mr. SUMNERS of Texas. And the Government has not got a cent, it is nearly busted now. When a man goes out to the store to buy groceries, is it not proposed now, in effect, that the Government will pay a part of that grocery bill?

Mr. WOLCOTT. The gentleman is correct.

Mr. SUMNERS of Texas. Is not that what is proposed to be done, if you have this subsidy?

Mr. WOLCOTT. If you defeat this bill, that is what you will do.

Mr. SUMNERS of Texas. But my question is a matter of yes or no.

Mr. WOLCOTT. Yes what?

Mr. SUMNERS of Texas. Yes, that it is proposed to have the Government pay a part of the current grocery bills of everybody.

Mr. WOLCOTT. The Government is proposing today to pay a part of it.

Mr. SUMNERS of Texas. I know that. I am not trying to argue with the gentleman. The Government has not got any money, the Government is broke and here we are, grown men, and we do not propose to pay for what we eat. Who is going to pay that, if the boys who are on the fighting front now and their kids do not pay it?

Mr. WOLCOTT. I cannot answer that. It has to be paid.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. Oh, the gentleman from Michigan yielded to me. I do not yield.

Mr. WOLCOTT. I am through.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. BARRY. The Government paid the farmer part of his grocery bill, and we are asking the same thing now for the consumer.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. SUMNERS].

Mr. SUMNERS of Texas. Mr. Chairman, I appreciate the spirit with which the House is confronting the decision of this question. I have heard a good deal of talk about inflation. As I understand it inflation comes about when many people with plenty of money to buy, try to buy more than there is to sell. I am

sorry to "bust" in on a lot of big speeches, but that is about what it is. As I understand this contribution that we are trying to stop, or the contribution going on now, it is that the Government is paying a part of the grocery bill of the people who buy food. That is it. Now, then, the Government has not got any money. Everybody knows that. Well, who is going to pay it? Are you going to pay it? If we are, why do we not pay it when we get the groceries? There are just two people who can pay it, and they are the folks who are eating the grub, the ones getting the food—or somebody else whom we are delegating to pay our bills for our food—is that not right?

Mr. ANGELL. That is right.

Mr. SUMNERS of Texas. If we would pay that grocery bill when we get there, we would pay it out of our own money. It is not just a few people mooching off of future generations to pay our current eating bills but it is proposed that everybody get in on this while the getting is good. Our young men are fighting for us while we are at home, safe from danger. There is nothing they can do about it. They cannot help themselves. If we put this food bill into bonds those bonds will bear interest. The people who are sitting here in this Chamber are not going to pay them or any part of them, but we are going to eat the food. These soldiers when they come home will find we signed their names to the bill. It will be a bill for our current eating expenses while they were away fighting for us. Is not that a pretty picture for grown people in America to put themselves in? Here we are, grown people in America, and our boys are fighting on the far-flung battlefields of the world, and we have not got sense enough to arrange some sort of a way whereby we can pay our own grocery bill.

If these white-collar fellows need more money, let them get it—help them to get it. They are entitled to more. All these big words and long speeches—it is just a question of whether we will pay our grocery bills or write them into the books and leave them for somebody else to pay. That somebody else is the generation following us in responsibility. The generation which makes up the body of our brave fighting men and the women of comparable age and their children now and to be. It is not only proposed that we saddle off our grocery bill on them, but that grocery bill will bear interest until they can find the money to pay it. Do we not suppose they are going to have to eat? If we cannot pay our own current grocery bill, how do we expect them to pay theirs and ours, too, plus accumulated interest and plus the salaries and cost of the necessary addition to the present army of planners and supervisors and interferers with and messers up that have been drawn from the manpower of the country to harass and bedevil the people still engaged in productive effort. I only have 5 minutes and cannot discuss the even more important thing—the far-reaching effect upon the independence of the business of agriculture and the independence of the

farmer which would result from this subsidy policy.

Mr. BARRY. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. BARRY. Will the gentleman tell me the fundamental difference between the Treasury subsidizing farmers and the Treasury subsidizing consumers?

Mr. SUMNERS of Texas. I do not want to get too far away, but I want to get to the fundamental question between you paying your own grocery bill and making your grandchildren or somebody else's grandchildren pay for it, plus the interest on the debt.

Mr. BARRY. Was not that same test applied to the farmer?

Mr. SUMNERS of Texas. Maybe so.

Mr. BARRY. Was not that same test applied to the farmer in subsidizing the farmer?

Mr. SUMNERS of Texas. Maybe so.

Mr. BARRY. A good many of the men who are opposed to this bill voted for that.

Mr. SUMNERS of Texas. Maybe they did so. Maybe they did so very foolishly or wisely. What has that got to do with the present responsibility?

Mr. MARCANTONIO. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. MARCANTONIO. With all due respect to the distinguished gentleman from Texas, the statement about whether or not we should pay our grocery bill or whether our grandchildren should, sounds very, very good.

Mr. SUMNERS of Texas. It is good.

Mr. MARCANTONIO. But the gentleman fails to realize that if we do go into an unbridled spiraling economy, our grandchildren will not have anything with which to pay.

Mr. SUMNERS of Texas. Well, we had better set a good example of paying our own grocery bills as we go along.

Mr. MARCANTONIO. Will the gentleman tell us how he proposes to do that?

Mr. BROWN of Georgia. I yield 20 minutes to the gentleman from Texas [Mr. PATMAN].

SUBSIDIES ONLY ALTERNATIVE FOR HIGHER COST OF LIVING AND INFLATION

Mr. PATMAN. Mr. Chairman, we have had more than 2 hours in opposition to what some of us stand for in the House and I would like to have just a few minutes to present this from the angle of those who are opposed to section 3. There is no personal difference between us in this fight on this proposal at all. There is a difference of opinion and we have different views.

As evidence of the fact that a lot of Members have not studied this proposal and do not thoroughly understand it, I cite as exhibit A, my good friend the gentleman from Texas, the Honorable HATON W. SUMNERS, who has often been pointed to as the sage of the House. Now, he is a wise man. He is one of the wisest men I know and whenever a wise man like Judge SUMNERS will go off on the angle that he did, I know there is bound to be a lot of misunderstanding and confusion in this

House. I want to show you how fallacious that argument is, if you will pardon me. I apologize for differing with you, Judge SUMNERS, because I know you are usually right and I am usually wrong. But in this particular case maybe I have studied it from more angles than you have studied it. The gentleman from Michigan [Mr. Wolcott] in his talk yesterday—I have talked too much on this, I know that, I have spent entirely too much time—but every time I have made a speech I have made this statement, which I made yesterday:

And again I challenge any Member of this body to get up, and I will yield to him, who will offer any plan that will keep down the cost of living and encourage production and not increase prices without the use of subsidies. Can you name it? Of course, you can not.

The gentleman from Michigan [Mr. Wolcott] said:

I would not want the gentleman to yield sufficient time for me to answer on that particular question, but if the gentleman and the rest of the House will listen attentively during the debates on this bill, I will answer it.

That is what he said yesterday. I listened most attentively here today and he did not answer it. I want to say there is no Member of this House who can answer it. Nobody can answer it. You have either got to increase prices or take it out of the hide of the farmers—which would discourage production—or pay a subsidy. There is no other way around it at all. And I have often made that challenge and nobody has accepted it.

Mr. O'CONNOR. Will the gentleman yield?

Mr. PATMAN. I cannot yield, because my time is too limited and I hope the gentleman will not insist upon it.

Let me give you an example on canned goods that the gentleman was talking about. Suppose we raise the prices of canned goods all over the United States to take care of high-cost producers. I happen to know something about that. The gentleman read the law there where we were supposed to raise all prices, and this particular bill will force it—absolutely force it. The canneries, a lot of them, say around Baltimore and around Cleveland and a lot of places where they have a high cost of production, produce a large part of the canned goods, at least a substantial part. They cannot produce at the prices that are paid, the maximum prices. They would have to go out of business. Which is better, to allow them a 10 percent or 20 percent increase to take care of them to keep them in business and in production, or to raise prices all over the Nation? That is the question.

In other words, is it better to go into debt \$1 than it is \$5 or \$30? Why, there is only one answer to it. Of course, it is better to go in debt \$1 than \$5 or \$30. I will offer you an example, just a little bit of an example, that has the same principle involved in it, on copper. We needed more copper. The big companies were producing all they could at 12 cents a pound. If you paid them 40 cents they could not produce any more. So we

wanted to get these high-cost mines in production. Which was better to do, increase all copper to 25 cents or 30 cents a pound or just give the high-cost producer the extra amount in the form of a subsidy? The answer is it was better to give those high-cost mines a subsidy of 5 or 25 or 30 cents a pound. The result was that we increased the total copper production 10 percent. It was very helpful. We are almost out of the woods on copper, and we were out between \$30,000,000 and \$50,000,000 on that. We had to borrow that money, we will say. Yes; we borrowed it. Our children and grandchildren will pay it back. But which is better, to pass on a debt of \$30,000,000 to our grandchildren or somebody else to pay, or pass on a debt of \$1,000,000,000 which it would have cost us without a subsidy?

The answer is obvious. Of course, it is better to pass on the smaller amount. So it is not just as simple as many have suggested here. And as in the case of copper, so in the case of canned goods, and I could name you a dozen other things that will operate in the same way. Sometimes we have to take something bad in order to keep from taking something much worse. So I do not care if you are against subsidies. Is it not better to pay a \$10,000,000 subsidy on canned goods in the distressed areas than it is to pay \$100,000,000 in increased prices? Now, remember this, that the Government is buying half of what we produce that is subsidized, more than that in most things, in copper especially. If we were to increase the prices of all copper it would have cost us \$1,000,000,000 more. The Government would have to pay more than half of that because they bought more than half of it. So there is \$500,000,000 increase in that that we saved by being out about \$30,000,000 on a subsidy. Who can argue against that? I say now, I have made this challenge on the floor of this House day in and day out; nobody can answer. Nobody can answer it. You will either use subsidies or you will increase the cost of living, or you will retard production. And saying it another way, there is only one way to encourage production and keep down the cost of living and that is through the use of subsidies.

Mr. O'CONNOR. Will the gentleman yield?

Mr. PATMAN. I do not yield at this time.

Mr. O'CONNOR. You made the challenge.

Mr. PATMAN. I know, but I have done it day in and day out. I am not going to take my 20 minutes now to yield to anyone to answer it. The gentleman from Michigan [Mr. Wolcott] offered to answer it yesterday. He said he was going to answer it today but he did not, because there is no answer to it. Nobody can answer it.

Mr. O'CONNOR. If the gentleman will help me to get some time, I will answer it.

Mr. PATMAN. All right. They would like to have it answered on the Republican side, because they want to know what that answer is. If the gentleman

has got an answer he will be making a great contribution to the Republicans.

So, what about these subsidies? Why has the word "subsidy" become so obnoxious? Are we not paying a part of the rent bill down at Dallas, Tex.? Certainly we are. All these rents around the defense plants are subsidies as well as some social living quarters. We could not get people to go to Dallas. As delightful a place as that is to live, one of the finest cities in the Nation, we could not get them to go there and pay the rent they would have to pay if they paid an economic rent. Therefore, the Government has built houses and made it possible for those people to pay \$20 rent when \$50 would be an economic rent. You are subsidizing them to the extent of \$30 a month. That is going on all over the country. Is that so bad? No. That is the way it should be. You must have production and you must have people to do the work, and you cannot have them unless you give them a decent place to live. So, it is all right. So that is paying a part of the rent bill.

In New England we had to get them fuel. They could not get the fuel by water because of the submarine menace, and we had to ship it by rail. That greatly increased their cost. Was it right for them to pay that increased cost? They could not do it. It would absolutely cause a lot of families to suffer. So the Government subsidized the transportation cost to the New England fuel users. There is a case where we are paying a part of the fuel bill for a large segment of our population. If it is not so wrong to pay the fuel bill and the rent bill, and to pay tariff duties up to \$4,000,000,000 a year, which is a subsidy—if those things are not wrong, then is it wrong to save our people \$5 or \$25 or \$30 on every dollar that we have to borrow, or that we use as a subsidy payment?

I hope the Members of this House will study this proposition. In all seriousness and earnestness, I tell you that if you do, without reference to any political consideration, without reference to what will happen to you or to me in politics or anything else, but, solely with the desire to help the country in wartime, you will come to one conclusion and that is the conclusion that I have stated here day after day, that no one yet has been able to answer successfully.

I want to say to my friend from Michigan [Mr. Wolcott] if anybody could answer it, he could, because he is better informed on this legislation than any other one Member of Congress. When he said yesterday he was going to answer it today, I said, "I wonder what kind of answer that is going to be"; but he did not touch it, side, edge, nor bottom. The reason is evident, because there is no answer. It is just logical that there is no answer. How are you going to keep the price of living just like it is when the farmers cannot produce and sell at a price that will permit the cost of living to remain there unless you give a subsidy to make up for that difference? It is just as plain as the nose on your face. There is no other remedy. So when you vote for this bill you are voting to increase

the cost of living and you are voting for inflation.

When did the word "subsidy" become so obnoxious? As I have often said, the tariff which is as old as the Government, is a subsidy. The railroads were subsidized. The merchant marine, the inland waterways were subsidized. The postal rates are a subsidy for newspapers and magazines up to almost \$100,000,000 a year. I am not opposed to it. I am in favor of it.

George Washington started it. George Washington was right. He said:

Let us disseminate knowledge and information by making it easy for people to get newspapers at a low rate.

George Washington was exactly right; and since that time we have subsidized the newspapers and magazines. Today a paper published in Dallas County or any other county can be deposited in the post office there and the publishers pay absolutely no postage at all for distribution through the mails in Dallas County or the county of publication. They can send out 5,000, or 10,000, or 100,000, or 1,000,000 copies, and they pay no postage whatsoever under that policy. It is the same way in every county in the United States. If they ship them outside of the county they pay such a low postage rate that the Government in the end loses almost a hundred million dollars every year on those low postage rates. Now there is a case where it is a fine thing—a subsidy is. Nobody opposes that; I think we all favor it. I am just giving that as an example of cases where there is no opposition to subsidies.

I would not be in favor of subsidizing everything; it would be absolutely wrong. There are certain things that it works on and there are certain things that it would not work on. The point I make is that Congress is in no position to determine which of these commodities they will use a subsidy on and which they will not use a subsidy on.

The committee bill is not against subsidies. If you will read the bill you will find down at the end that although the bill denounces subsidies and everything connected therewith, it states:

Provided, however, That none of the provisions of this act shall apply to domestic fats and oils and oilseeds.

In other words if you help pay anybody's butter bill with a subsidy, that is a subsidy, and very bad; but if they will buy margarine that is all right. You gentlemen over here on the Republican side, you say it is all right to subsidize oleomargarine; you are for it in this bill. It permits it, it specifically exempts—specifically exempts oleomargarine. You say that is all right, that is a good thing. Furthermore you say it is all right to subsidize Crisco, or anything else that is made from vegetable oils and fats and oil seeds, domestic. You say that is fine, the principle is not violated there, but if you want to subsidize butter, or hog lard, or something like that, why, it is bribery. It is bribery! It is wrong, somebody ought to go to the penitentiary for it. Do you not think it is just a little bit inconsistent? Why, of course it is

very, very inconsistent. The fact is that subsidies are just as old as our Government. They have always been with us and will continue to be with us.

POST-WAR FARM PROGRAM

We can have no farm program that is lasting and permanent without subsidies, and this effort to get the farmers to go against subsidies is an effort to make the farmers fight their own interests. Why did we 10 years ago fight the group that is now so vigorously opposing subsidies to the farmers in this case, force the use of subsidies for farmers? There was an excellent reason for that, Mr. Chairman, and I hope the Members study it. For a hundred years the farmers have been at a great disadvantage. They have been compelled to buy in a protected market, buy things over the high tariff wall that was built up to help infant industry and other industry in our country. When they want to sell what they had worked so hard to produce they had to sell it in the competitive markets of the world in competition with the cheapest forms of labor on earth. There was a distinct and decided disadvantage to the farmers of this Nation and for the first time in the history of our Government the Congress more than 10 years ago said: "We are going in a measure to remove that discrimination; we are going to give the farmers a subsidy to help make up for it; we are going to give them some money." Congress even went to the extent of setting aside a part of the actual tariff duties collected to give the farmers a part of that subsidy; yet here we are now trying to teach the farmers that it is wrong to have a subsidy, it is absolutely wrong. Do you know what we are doing if we succeed in doing that? We are leading them up a blind alley to destruction; we are leading them up a blind alley; that is what we are doing.

FARMERS PROTECTED IF THEY DO NOT GIVE IT UP

When this war is over and we have a permanent farm program can we have one without the use of subsidies? Of course we cannot and we have written into the Commodity Credit Corporation Act a provision that for 2 years after the declaration of peace the farmers of this country shall be guaranteed a loan value equal to 90 percent of parity. That will protect the farmers from what happened after the other war. This gives them adequate protection, it gives them a floor under their prices and protects them. All right; that is what they want. No other class or group in America has that protection; no, they do not have it. It is likely to last several years after the war. You will notice that law reads that it shall continue 2 years after the declaration of peace. It is always 2 or 3 years after a war ceases before there is an official declaration of peace, so we are safe in assuming that for 4 or 5 years after this war is over the farmers are going to be protected to the extent of 90-percent-parity loans. Now if you teach the farmers to oppose subsidies, to fight subsidies on the ground that they are wrong, the administration in power, if it happens to be our friends over here, I am afraid will laugh at them and say:

"No, no; you fellows are against subsidies; you do not want them; we will have to repeal or not carry out that law." The subsidy will only be needed if prices go down and naturally they will go down after inflation; they always do. So this campaign to teach the farmers to fight subsidies is teaching them to fight their own good interests and best interests and, I repeat, destructive to them when this war is over. I hope that those who are attempting to do it will not succeed. The subsidy question is one that obviously I cannot answer in full in this limited time, but I repeat in conclusion what I have often said. I do not want to take up all the time that has been allotted me. I want other members of the committee to use it.

ANOTHER CHALLENGE

Nobody can answer this question. It has been challenged here every day. The gentleman from Michigan [Mr. WOLCOTT] who has spoken, promised to answer it yesterday but did not answer it. There is only one reason for that. If there is any answer on earth the gentleman from Michigan [Mr. WOLCOTT] could give it because he knows all the answers available. The answer is, it is either high cost of living and inflation or the use of subsidies.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CRAWFORD. Mr. Chairman, I yield 20 minutes to the gentleman from California [Mr. ROLPH].

Mr. PATMAN. Mr. Chairman, I hope the gentleman will not insist on that. They have had 2 hours here and we have only had 20 minutes. Why cannot our side go on?

Mr. CRAWFORD. Mr. Chairman, I do not like to have that in the RECORD because I was not trying to pull anything. The gentleman in charge of the time over there indicated to me I should yield some time.

Mr. BROWN of Georgia. What time has been consumed by either side?

The CHAIRMAN. The gentleman from Alabama [Mr. STEAGALL] has consumed 1 hour and 10 minutes and the gentleman from Michigan [Mr. WOLCOTT], has consumed 1 hour and 2 minutes.

Mr. BROWN of Georgia. Does the gentleman want to use some time?

Mr. CRAWFORD. Mr. Chairman, I yield 20 minutes to the gentleman from California [Mr. ROLPH].

Mr. PATMAN. May I plead with you gentlemen? You have used 2 hours and 12 minutes.

Mr. CRAWFORD. There are only 8 minutes' difference.

Mr. PATMAN. Cannot you give us an even break on the time?

Mr. BROWN of Georgia. Mr. Chairman, I expect to yield to the gentleman from New York [Mr. CLEGG] and to the other gentlemen time before we close this evening. I am giving the gentleman more time than he is entitled to, and I am doing it because he asked me to.

Mr. PATMAN. I object to that. I have used 20 minutes out of 2 hours.

Mr. BROWN of Georgia. I will yield the gentleman more time.

Mr. PATMAN. Then give it to the gentleman from Wisconsin [Mr. DILWEG] or somebody on my side.

Mr. BROWN of Georgia. I will give the gentleman all the time I think he is entitled to. He has no right to ask for all the time.

Mr. DICKSTEIN. Will the gentleman yield?

Mr. ROLPH. I yield to the gentlemen from New York.

Mr. DICKSTEIN. Mr. Chairman, I ask unanimous consent to extend my own remarks in the Record on this bill.

The CHAIRMAN. Is there objection to the request of the gentleman from New York [Mr. DICKSTEIN]?

There was no objection.

Mr. PATMAN. Will the gentleman yield for a parliamentary inquiry?

Mr. ROLPH. I yield for a parliamentary inquiry.

Mr. PATMAN. The parliamentary is, I think our folks should come on now. You see, they have not gone on as yet.

Mr. ROLPH. Mr. Chairman, is that a parliamentary inquiry?

The CHAIRMAN. The Chair will answer it. Under the rule adopted by the House, the time is under the control of the chairman and the ranking minority member of the Committee on Banking and Currency.

Mr. PATMAN. Mr. Chairman, I invite your attention to the fact the chairman yielded me an hour. Now, then, I want to use that hour. I have used only 20 minutes. I expect to yield that time to these other gentlemen to use who are waiting here.

The CHAIRMAN. The chairman of the Committee on Banking and Currency yielded the gentleman from Texas 20 minutes.

Mr. PATMAN. The chairman well knows that in his opening discussion the chairman of the Committee on Banking and Currency yielded me 1 hour definitely for today.

The CHAIRMAN. The Chair observed that the Chairman of the Committee on Banking and Currency did promise the gentleman an hour, but the Chair cannot control the keeping of promises.

Mr. BROWN of Georgia. Mr. Chairman, I expect to carry out the promises of the chairman, the gentleman from Alabama [Mr. STEAGALL]. He yielded to the gentleman from Texas [Mr. PATMAN] and those who are taking the same position he is taking 1 hour this afternoon. I will yield 40 more minutes to them this afternoon before we close.

Mr. PATMAN. As a matter of good faith, I know the gentleman is fair and wants to be fair—

Mr. ROLPH. Is this taken out of my time?

Mr. PATMAN. Since each side has taken an hour, why should we not use our hour now? You have 2 hours against us.

The CHAIRMAN. Does the gentleman continue to yield?

FOOD FOR THE WAR EFFORT

Mr. ROLPH. Mr. Chairman, price control is an emergency measure. No sensible person advocates price control as

a scheme for changing our way of life. Not as a means of permanently regimenting our national economy. Leon Henderson sold us on price control purely and simply as a means of combating inflation. Nothing more; nothing less.

The American people support price control because of bitter experiences following World War No. 1. They know runaway prices may well be followed by an aftermath of hesitation, bankruptcy, and chaos. Following the Armistice of 1918, and in the early twenties, innumerable firms went under because of tumbling commodity values. Not because of speculation. Not because of careless management. Not because of inefficiency or neglect. Troubles were caused by head-over-heels falling of prices and no buyers. Heavy inventories and no customers. Therefore, thoughtful people accept price control as a means of self-protection. Sort of an insurance policy. Reliance on an old axiom "once bit, twice shy."

But, Mr. Chairman, I do not think our people desire to embark on a sea of unlimited subsidies. During the summer recess we had occasion to discuss this issue with the citizens back home. While certain groups honestly feel the measure is a step in the right direction, others strenuously oppose. Before the recess, I voted against giving the Commodity Credit Corporation a blank check. After visiting San Francisco and talking to my constituents and after listening attentively to the witnesses before the Banking and Currency Committee, I have not changed my ideas. I am still opposed to unlimited subsidies. Why should the Federal Government be asked to pay part of the individual's living expenses? Why should the boys and girls now in the armed forces undertake huge tax bills for paying a portion of the living expenses of those who remain at home? Why should our children and our children's children pay any of our bills?

There is a wide gulf between unlimited subsidies and a policy of support prices of foods necessary for war purposes. The policy now in force.

In the latter field, Commodity Credit Corporation is doing an excellent job. The corporation should be continued. In my opinion it is a mistake to even consider abolishing the Commodity Credit Corporation. It has encouraged increased production of food products for the armed forces and for lease-lend. Among the food products supported for the war effort by C. C. C. are vegetable oils, canned vegetables, peanuts, dried peas, prunes, sugar—beet and cane, domestic and foreign—wheat for animal feed, cheese, milk, dried beans, raisins, coffee.

No doubt each of these commodities will be discussed at length several times during the debate. I intend to speak of but three, sugar beets, prunes, and raisins. California leads in production of all three. Each is of paramount importance in the present emergency.

Therefore, let us carefully examine sugar. Members of the Banking and Currency Committee have been pressing

for announcement of support price on sugar beets. On December 31, 1941, the Secretary of Agriculture estimated various quotas for 1942 as follows:

	Tons
Domestic beet.....	1,862,811
Mainland cane.....	504,995
Hawaii.....	1,127,420
Puerto Rico.....	959,088
Virgin Islands.....	10,716
Philippine Islands.....	1,237,764
Cuba.....	2,297,533
Foreign countries.....	31,747
Total.....	8,032,074

By proclamation of the President as of April 13, 1942, all sugar quotas were removed.

We counted on about 15 percent of our supply as coming from the Philippines. The attack on Pearl Harbor stopped all shipments from the Far East. Cuba is down for about 30 percent, the largest single contributor to our needs. The United States, through Commodity Credit Corporation, has been purchasing the Cuban crop for the past 3 years. C. C. C. likewise purchased sugar for import from Puerto Rico and other sources. In May, when the earlier C. C. C. bill was before the Banking and Currency Committee, Mr. Hutson reported on the workings of his Bureau. Referring to page 268 of committee hearings, under the caption of sugar, we read:

As one of its major activities in the foreign field, Commodity Credit Corporation has bought the 1943 Cuban sugar crop and is negotiating for purchases in Puerto Rico, Haiti, and the Dominican Republic. Imported raw sugar is allocated to refiners and sold to them at a price which permits them to operate under existing price ceilings. In addition, the Corporation will buy the 1943 sugar-beet crop at a price which will increase returns to farmers, and will resell the crop to processors at a price which will permit them to refine sugar and dispose of it within the price ceilings. The Corporation may absorb some of the excess freight charges in transporting beet sugar outside of the area in which it is normally sold.

The beet sugar planters in the United States were urged by the Federal Government to increase production. Growing beets for sugar is in competition with other commodities, such as lettuce, beans, and similar products. Unless the farmer knows in sufficient time what price he will get for beets, he most likely will plant other crops. The gentleman from Michigan, Representative FRED CRAWFORD, stated the case clearly, as shown on page 80 of committee hearings:

Mr. CRAWFORD. Mr. Hutson, I would like to make this comment, in reply to your question. In the growing areas—and I say this after many years' experience right out in the field of contracting—before the planting season begins, the interested farmers attempt to map out the acreage planned that they propose to follow with respect to all crops, including sugar beets. Now, the competitive conditions with respect to substitute crops, plus all of this planning that all of us are involved in, has an effect upon the individual farmer, in such a manner that it tends to reduce the acreage which goes into sugar beets, so long as the individual farmer does not know exactly what his acreage plan must be as related to this specific crop—sugar beets. So I would say that in

any area where planting has actually begun, every hour the final announcement is delayed will operate against the acreage which will ultimately be planted to sugar beets.

By referring further to page 82 of committee hearings, we find complete text of letter written September 24, 1943, to War Food Administrator Marvin Jones by California Congressional Sugar Committee. The letter sets forth the urgency of naming the support price on sugar beets.

Pressing further for the price on sugar beets, I wrote under date of October 7, 1943, to Mr. Jones and Mr. Hutson jointly requesting action. Mr. Hutson replied on October 16, 1943, stating the acreage question could be settled but that the Government hesitated to name sugar support price pending action of Congress on the Commodity Credit Corporation bill.

On October 26, 1943, the Agricultural Council of California wrote me, in part, as follows:

We are greatly concerned over the continuing delay in the announcement of a definite sugar-beet program for 1944. Every day's delay means so many more acres taken out of beets and planted in other crops. More and more growers are every day writing beets off their list and contracting for the production of other crops—solely because they have no assurance as to a future beet program.

On page 5 of Committee Report 846, covering bill under debate, we find this language concerning section 3:

This section does not prohibit nor interfere with any operation of the Commodity Credit Corporation or any other agency of the Government with respect to producer subsidies or loans authorized under existing law, including the Emergency Price Control Act of 1942, as amended and supplemented by Public Law 729, Seventy-seventh Congress, approved October 2, 1942, and it does not prohibit or interfere with support prices or the use of Commodity Credit funds made available to the Commodity Credit Corporation by existing law, including section 4 of Public Law 147, approved July 1, 1941, as amended.

This section provides that support prices shall continue to be announced for any such agricultural commodities pursuant to section 4 of Public Law 147, approved July 1, 1941, as amended, and further provides that loans shall continue to be made pursuant to section 8 of Public Law 729, approved October 2, 1942. The section provides, however, that maximum prices heretofore or hereafter established for such commodities shall not be below the support prices therefor or below prices specified in section 3 of Public Law 729, approved October 2, 1942.

The language is clear and explicit. The support price of sugar should be announced and is in no way connected with unlimited subsidies. For 3 years past the Federal Government has purchased Cuba's sugar. About 44 percent of the sugar consumed in the United States ordinarily comes from foreign sources. The domestic beet crop is in normal times close to 23 percent of our total requirements, including lend-lease.

I repeat, the question of unlimited subsidies does not, in my opinion, enter into the sugar picture. It is manifestly unfair and prejudicial to our national

interests tying sugar in with unlimited subsidies.

Now with reference to dried fruit. Practically the same situation exists as in sugar, except dried fruits are domestically produced whereas a large percentage of the Nation's sugar requirements are imported.

I have obtained copies of Commodity Credit Corporation forms used in connection with raisins, also prunes. Agreements are dated as of August 15, 1943. These contracts are here for perusal by the members of the Committee of the Whole. First paragraph of raisin contract reads, and I quote:

Whereas in order to assure an adequate supply of standard quality processed raisins of the 1943 crop, during the existing war emergency, for the needs of Government agencies and for civilian consumption and to assure the proper and orderly marketing thereof, Commodity desires to purchase certain processed raisins of said crop and to make certain disposition of the raisins purchased, all in the manner and subject to the conditions hereinafter specified.

Section No. 1 of raisin contract is quoted in full:

Section 1. Support prices to producers: In respect of all of its purchases of 1943 raisins in natural condition, whether such raisins are purchased by packer for processing or sale pursuant to this agreement or otherwise, packer shall pay all producers for 1943 raisins so purchased (other than raisins received from its producer-members by a packer which is a bona fide marketing cooperative) the applicable producer support prices. Such producer support prices shall be the maximum prices in effect as of the effective date of Maximum Price Regulation 461, as issued by the Office of Price Administration on August 28, 1943, in respect of all such 1943 raisins.

And so forth. Prune contracts are almost identical. In my opinion these contracts will fully qualify under terms of the bill as written. The dried fruit industry was encouraged to increase production. The industry responded wholeheartedly, sincerely, and loyally. The dried-fruit industry is making an outstanding contribution to the War effort and is cooperating 100 percent with all Federal agencies involved.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. ROLPH. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Today I have been informed by the War Production Board and the Defense Plant Corporation that we have a great shortage of commercial alcohol, as well as blackstrap molasses out of which to produce commercial alcohol. Does the gentleman know any better way to alleviate that situation than for the Food Administration to announce to the gentleman's sugar-beet growers in California that they may proceed to plant and grow sugar beets, out of which we can make sugar, so that in the offshore areas invert sugar can there be made, to be converted into alcohol?

Mr. ROLPH. I thank the gentleman very sincerely for that observation. I agree with him 100 percent. As the gentleman knows, the planting of sugar beets began in California in September. The

planting starts in our State earlier than in any other section of the country. Due to the late announcement of the price last season, the price not being announced until March, there was a shrinkage of some 100,000 acres in the planting of sugar beets. In other words, instead of 170,000 acres being planted, as in the campaign before, only 70,000 acres were planted in the last campaign. The observation of the gentleman is absolutely correct.

Mr. BROWN of Georgia. Mr. Chairman, I yield 15 minutes to the gentleman from Wisconsin [Mr. DILWEG].

Mr. DILWEG. Mr. Chairman, I feel that the vote to be cast by this House on the bill under consideration will be properly weighed by each and every Member who is fully aware of its importance. The vote to extend the life of the Commodity Credit Corporation will reflect the issue of "subsidies," or "no subsidies," as their use pertains to the field of agriculture and commodities processed from that field. All arguments to date presented on this floor have clearly drawn the line of "subsidies" or "no subsidies" and nothing has been said that would indicate that a compromise or a twilight zone between does exist.

I object to the sweeping and all-inclusive language of the antisubsidy provision in this bill. I refer to subsection 3. I believe that there is a danger in completely tying the hands of the executive agencies and corporations by this sweeping prohibition. I have repeatedly said to my colleagues that subsidies may, at times, be the only practical method to achieve maximum production of food, on the one hand, and, on the other, to maintain to the consumer a supply of food at a price which is reasonable and consistent with his income.

When this body considered the Commodity Credit Corporation bill shortly before our recess in July of this year, experiences in connection with food production clearly indicated that manpower shortage with a wholly inadequate supply of farm machinery, increased risks and costs of food production. The farmer could not be expected to increase his production without being relieved of some of the risks and additional costs. Increase in retail food prices which would result in passing on to the ultimate consumer the increased cost of production, would certainly result in demands for increases in wages and salaries. Knowing human nature, we could not permit the cost of living to rise without expecting a wage increase.

I think it must be conceded that the costs of providing farm commodities to the American consumer cannot be completely controlled. Therefore, costs which cannot be absorbed by the farmer can only be absorbed by the use of subsidies if price and wage ceilings are to be maintained. Thus, the payment of subsidies has been an essential part of price control. Price control as a factor in stabilizing labor costs, cannot be overemphasized and it follows that wage

ceilings cannot be held, or even justified, unless the cost of living is stabilized.

The administration is making a desperate attempt to hold the line, even though subjected to continuous pressure from special interests. It is evident that the prior control and subsidy program has been administered partly with a view to preventing increases in the cost-of-living index. Labor has criticized the cost-of-living index as a true measure of cost of living and has protested the administration of the Little Steel formula, demanding increases in wage rates. If we are to accept the Department of Labor, Bureau of Labor Statistics, as accurately reflecting price increases, we can understand the reaction to the information by the average wage earner. To illustrate: The United States Department of Labor, Bureau of Labor Statistics, reported on September 30, 1943, that food prices in August were 40.3 percent above January 1941, base date of the Little Steel formula. The entire cost of living was 4.9 percent above August 1942, and 22.2 percent above January 1941. Representatives of the various farm bureaus in the country charged the administration with failure to keep wages within the Little Steel formula. Unfortunately, statistics on the trend in rates since the establishment of the ceiling are not available. Statistics in weekly earnings per capita in 32 selected industries are available, and although there has been an increase in weekly earnings, it is due mainly to longer hours, overtime with higher rates of pay, increased production at incentive rates, upgrading, and other factors.

The recent increase in pay granted to the miners of this country and the present railway wage dispute certainly places the whole stabilization program in a precarious position.

If Congress passes the bill in its present form, it must assume the responsibility for its actions. It has been said that the executive branch of the Government has repeatedly told Congress that if Congress will suggest another way to hold down the cost of living without subsidies, and at the same time give the farmer a fair price and a sufficient price to encourage production of needed food, they would gladly accept an alternative that would get the job done. To date, no one on the Banking and Currency Committee—and, to my knowledge, no Member of the House—has presented a substitute plan.

It is, therefore, apparent that if Congress legislates that no subsidies may be used, Congress repudiates the administration's plan and assumes the responsibility itself.

I have never been in favor of roll-back subsidies, and many of the subsidies which are direct consumer subsidies. I do feel, however, that Congress could limit the total amount to be spent by the Government for subsidies, or support prices, and that Congress should lay down some standards as to how the money is to be spent.

In other words, subsidies should be restricted in their use. May I say that I am not alone in my views on this matter.

The very farm group which is urging the passage of this bill realizes that the sweeping subsidy ban proposed by subsection 3 might cause costly disruption and loss.

On Friday, May 28, 1943, Albert S. Goss, master of the National Grange, appeared before the Banking and Currency Committee and, among other things, made the following recommendation:

No funds shall be used to make loans on or to purchase any commodity for the purpose of supporting the price thereon if, at the time of purchase, any maximum price is maintained on such commodity lower than such support price, or if, at the time of purchase, it is contemplated to sell the commodity at less than the purchase price, except as shall be specifically authorized by Congress as to each individual commodity for which exception is made; provided, that in the case of any commodity which is used for more than one purpose the price may be so adjusted with respect to the different uses for which such commodity is sold that the total rates shall be not less than such support price.

Except as normal market conditions justify, no maximum price shall be placed on any commodity below the support price so long as the Commodity Credit Corporation shall hold any such commodity, either under loan or through purchase, it being the intent and purpose to avoid the use of public funds to prevent agricultural commodity prices from seeking a level necessary to secure adequate production for war purposes.

No direct or indirect subsidy shall be paid to any producer, processor, or distributor of any agricultural commodity upon which any maximum price is in effect, except as may be expressly authorized by Congress.

It is interesting to note that subsection 3 of this bill contains the prohibition requested by Mr. Goss, even to the extent that an exception has been made, as he suggested, for a specific commodity, namely, competitive vegetable oils.

Mr. Goss continues:

It is recognized that commitments may have been made and purchase or marketing plans may now be in operation which cannot be immediately adjusted to such a program without causing costly disruption and loss. It is, therefore, suggested that an exception be granted, as follows: Exclusive of losses on commodities in respect to which mandatory loans are applicable, the War Food Administrator may enter into such commitments not in violation of the purpose of subsection 3 as in his judgment are necessary to secure production of needed commodities for war purposes, provided that the total estimated losses under such commitments shall not exceed \$100,000,000. A detailed report on all transactions under this subsection shall be made to the Congress semiannually. Admittedly, the \$100,000,000 named above is a random shot. We believe the committee should find out the extent of the need and adjust the amount accordingly.

When Chester C. Davis was War Food Administrator, he made the plea, and I quote:

I hope the committee and the Congress won't divide itself into two hostile camps; one saying, "I am for incentive payments," and the other saying, "I am against incentive payments"; one saying, "I am for subsidies," and the other saying, "I am against subsidies."

Let us get the philosophy established for a coordinated program on inflation,

of which this is a part, and then give us a chance to use some reasonable common sense in their administration.

The present War Food Administrator, Marvin Janes, appearing before the Banking and Currency Committee, suggested the use of the Commodity Credit Corporation funds for a definite support price and expressed a perfect willingness on his part that Congress establish safeguards around the Commodity Credit Corporation's power.

If our price-control program was as flexible as that used in Canada, it would seem entirely proper to suggest that the cost of living index be tied to the wage ceilings; that if the index rises 1 percent or more that labor receive a bonus sufficient to absorb this increased cost of living.

However, the administration of a "hold the line" order in a country of 130,000,000, as compared to a country of 10,000,000, naturally presents many unforeseen ramifications. As I see it, the problem is not one of simply eliminating subsidies, but, rather, is one wherein Congress cannot consider subsidies alone but a long-range program of stabilization must include wage stabilization, an adequate tax program, and subsidies.

If the use of subsidies in a price-control program fails to stabilize wages, it contributes nothing to the general attempt to hold down inflation, and, as a matter of fact would contribute to inflation.

Lost in the shuffle, so to speak, is the average worker who has not shared in the pay gains among workers generally. This unorganized group has no representation to voice its woes, except through their elected Members in the House and Senate, and I venture to say that there is not a Member in this House who does not have in his constituency such a group. Estimates range from 15,000,000 to 33,000,000 in number. This is not a mythical group, but a bloc of hard-working Americans who have every right to expect a just and due consideration of their lot. Their plight, at present, is one of desperation. I give you the concern of the group as voiced by a constituent of mine, whom I shall call Mrs. X. I quote from a letter recently received from her:

I am getting constantly more and more concerned with the news all through the press of taking the lid off of prices and having inflation soar. We in the League of Women Voters have been striving very hard, as you know what it means to each and every individual in the country if we allow such a thing to happen, and yet, as we learn to understand the consequences, Congress allows pressure groups to work, John L. Lewis gets his licks in with Government, the hue and cry is for rising wages. It is all too horrible. Can't you do something? Can't you start more of a campaign in the House of Representatives to stop this inflation? We of the fixed income group—and there are millions of us—are caught between the higher and lower income groups. Our wages are frozen, with prices rising, and before long we won't be able to do our part by paying the rightfully higher taxes we now have and which we know should be higher. We are for a heavy tax bill, as much and more as we can stand, but what good does control of prices do if it is allowed to work alone without the

taxes to sift off the loose money floating around? It all seems so obvious back here in a small town and why we have to suffer the lack of good sense by most of those in Washington is more than I can hope to understand.

Yes, Mrs. X, I appreciate your predicament. So do many other Representatives. Evidence of this fact is now before this body in the form of proposed legislation offering a stamp plan to the low income group. But, to me, this is not a solution to your problem, for the cost of this plan would nearly equal the \$800,000,000 proposed to be spent for subsidies, with rising prices and wages depleting the buying power of every dollar you earn. I firmly believe that we can help your group if we continue to use all subsidies with definite restrictions prescribed by Congress.

It is my hope that the Members of the House will have an opportunity to record their votes on subsection 3 of this bill, if this section remains in the bill unamended. For, regardless of what this House decides is best for the Nation as it votes on the subsidy question, most of us are in agreement that the life of the Commodity Credit Corporation should be extended. My views as expressed here represent my firm convictions and what I believe is best for the Nation as a whole as we continue in this all-out war.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. DILWEG. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. My distinguished colleague from Wisconsin has used the figure of \$800,000,000. Does the gentleman believe that would be a sufficient amount to finance the proposed subsidies, or can we look forward to a much larger sum being asked for? My point is this: It would take the whole \$800,000,000 to subsidize this last subsidy on dairy products, if it were spread across the board to give every dairyman in the country the same subsidy that some of them enjoy.

Mr. DILWEG. My answer is that I am not concerned as to how much they might need or how much they think they need. If we put on this safeguard and limit the amount of money to be used for the purpose, that will answer the gentleman's question.

Mr. MURRAY of Wisconsin. Limit the amount of producer subsidies and limit the number of consumer subsidies?

Mr. DILWEG. Subsidies of all kinds, and if necessary put restraints on the use of the money besides restraints on the amounts of the subsidies.

Mr. BROWN of Georgia. Mr. Chairman, I yield 10 minutes to the gentleman from Nevada [Mr. SULLIVAN].

Mr. SULLIVAN. Mr. Chairman, the bill now pending before the House involves a proposal, upon the correct solution of which may depend, not alone our fortunes in the war, but our internal progress and prosperity in the peace to come. The war may be unnecessarily prolonged, with its daily burden of blood, sweat, and tears, and the recovery of the domestic economy may be so dislocated as to doom this country to another reconstruction era of dismal history.

The bill, ostensibly designed to extend the life of the Commodity Credit Act, which by virtue of previous legislation was doomed to expire absolutely December 31, 1943, has had a string attached to it so that, while its life is to be extended to June 30, 1945, by reason of amendment in committee, the practice of providing subsidies for the support of prices or to stop loss was prohibited.

The amendment was adopted by a vote of 16 to 10. The controversy is one involving the eternal conflict of ideas between producers and consumers. Eleven Republicans, one Progressive, and four Democrats voted against subsidies in committee. Ten Democrats voted for subsidies and against inflation. For some reason as yet unexplained, vegetable fats, oils, and oilseeds were allowed a continuance of subsidies, and the corporation was permitted to sell perishable fruits and vegetables, absorbing loss. Except for these subsidies, support prices and loss absorptions were prohibited.

The action and recommendation of the committee is plainly provocative of inflation. The pressure of surplus spending money against limited supplies of commodities in the absence of encouragement to produce as much as possible, can have no other effect than to break down all control over prices and open the door to competitive bidding with constant, ever-increasing prices. The cost of living must advance and the wage earner living on real rather than nominal wages will constantly demand that his nominal wages be increased to meet the constant increase in prices in the market place.

If the Congress should adopt the committee report it will mean that it has repudiated its order enacted into law requiring the Executive to fix and maintain ceiling prices on both wages and commodities in a heroic defense against inflation. The second Price Control Act, effective October 2, 1942, directed the President to stabilize prices and wages substantially as of September 15, 1942, with due provision for relief in cases of gross inequalities and inequities. The line thus set up was held with substantial integrity and has been held thus for a year. So long as price levels have been held, wage levels have been held, but it is now proposed that both be scrapped and that the only logical method of relief by way of subsidies to maintain and encourage production while saving loss in extreme cases of inequity will be terminated. Both the O. P. A. and the W. F. A., executive agencies set up to control prices on the one hand and to maintain production in the face of frozen prices, on the other, will be rendered helpless by the proposed amendment and the Price Control Act of 1942 may as well be wiped off the statute books.

Those who favor this proposed and revolutionary change in policy in the midst of emergency must be prepared to defend inflation—and inflation has always had the character of a run-away—and at the same time condemn subsidies. Both courses are logically involved and both attempts are inevitably doomed to failure. Inflation is indefensible. Subsidies are the only bulwark of price con-

trol. A doctrine of artificial scarcity of commodities, coupled with a doctrine of artificial expansion of the media circulating as money, points only to famine in the end. This is a time when food must be produced "to the uttermost" and compensation for that product must be stable and not a fraud that fails in its rewards for toil. In cases where the producer and consumer are the same man a fictitious price and a fictitious wage or return become both a sham and a mockery.

Those who compose the American public occupy two situations, one as breadwinners and another as taxpayers. In the latter capacity the costs of Government and the prosecution of the war impinge directly upon all and when the country is the main factor in the market for goods, services, and commodities the individual must concern himself not alone on his immediate prosperity and sacrifice in the daily affairs of life, but on his ultimate and secondary prosperity and well-being. The time has gone when any class of people can profit at the expense of any other class or by reason of national misfortune such as war. Sacrifice is demanded of all and in the allocation of sacrifice, whether in comfort or in fortune, must reach all. No one was born in this country and generation in order to live his life as usual, untouched by the universal needs and misfortunes. I should hate to consider that this country is so unstable or lacking in sturdy character that on the coming on of an emergency it should divide into blocs and pressure groups for the sole purpose of each saving themselves or aggrandizing themselves.

There are those who maintain that because the burdens of price and wage regulations come home to them, that the agencies of control are at fault. The fact is they complain not so much over their share of the burden, but that they have any burden at all. In the World War copper commanded a price of 35 cents a pound as against the present price of 12 cents; steel plate, \$180 as against \$42 per ton. If we had the absence of control prevailing in the last war instead of the control exercised by the O. P. A., the costs of living and of the war up to this date would have been greater by \$89,000,000,000. Real wages are substantially the same in a majority of cases. Only 18,500,000 workers out of a total of 43,500,000 are in a better relative position today than in August 1939. The farmer's net income is 75 percent higher. Corporate profits after taxes are 90 percent greater. Producers, however, insist in a short-sighted view of self-interest that they be allowed increases in wages and returns for crops and commodities. If there is any merit in their claims, then increases should go to all and then there would be no special privilege or advantage to any. What they mean to have is preferential treatment in some form or another so that while they are better off, or escape sacrifice, the remainder of the Nation shall continue to share the worse lot and to shoulder the greater proportionate burdens. Often they profess to see escape by saddling greater costs on the Government, forgetting that they must respond

in the end by way of increased taxes. And even here some classes look with expectation to the prospect of escaping taxes while other classes take up the added burden.

It needs no argument to demonstrate that inflation is indefensible. Inflation is always followed by deflation and when we have to pay back in dollars earned by greater labor, those loans obtained when labor commanded higher return in dollars, hardship and bankruptcies will result.

On the other hand, subsidies have historically been used to provide for the general welfare. The protective tariff is a classic example of subsidies which operate to enable manufacturers and producers to raise prices to a point not to be met by foreign competition laboring under tariffs on imports. The mail subsidies for ocean mails, not to speak of the practice of doing business at a loss in carrying second-class mail in order to assist in the dissemination of intelligence, is another instance. The whole history of the homestead laws, the railroad grants and reclamation and river and harbor improvements has been the history of taxation of all for the immediate benefit of a few designed to be reflected, however, in the increased prosperity and progress of all.

The Nation's total wage bill is \$100,000,000,000 a year. A 10-percent increase in the cost of living will increase this national wage by \$10,000,000,000. The Government itself, being the largest consumer of war goods, would pay 55 percent of this total bill or about \$5,500,000,000. The price increase could not be restricted to those goods upon which subsidies are now paid. Once the line is broken a general increase in food prices would result. The farmer, the worker, and industry exert tremendous pressure against the stabilization program. If a break-through occurs at any one point, all controls are threatened.

If this proposed amendment goes into effect, we shall see after December 31 of this year a large increase in the cost of living. This will be followed by a demand for raises in wages and the pernicious spiral in prices and wages will begin, with no end in sight. If we do not hold the line now under this tremendous assault, we shall never again have the opportunity to do so.

If this was a time of peace, I should not be disposed to interfere with the operation of the law of supply and demand, but with the war effort making demands on supply equivalent to the former pre-war demand, the added costs of inflation must be raised by taxation that reaches every consumer in the land, even the consumers who are also producers. In addition, there will be a tremendous tax by raising the market prices in dollars that must be later met when the dollars shrink to normal in volume of circulation.

As illustrative of the attitude of one section of the agricultural population of this country, I desire to insert at this time an abstract from the transcript of the hearings on this bill containing the testimony of Russell Smith, represent-

ing the National Farmers' Union, as follows:

Mr. SMITH. Mr. Chairman, the National Farmers Union favors the adoption without amendment of the proposal that Mr. Jones, War Food Administrator, has made.

I take it there are three principal points involved in his proposal. First, the extension of the life of the Commodity Credit Corporation. On that we think that a year and a half is a reasonable time.

Second, on the half-billion-dollar borrowing authority, we think that that is a minimum requirement in a war situation, and we hope it will be included.

Third, on the authority to sell perishables below parity, when they are in danger of deterioration, we feel is only reasonable administrative leeway. We think the potato situation this year illustrated the very high desirability of that provision.

Now, there has been one amendment proposed during the hearings as to which the National Farmers Union would like to go on record as being opposed. That is the proposed amendment which would not permit the fixing of a price ceiling below a support price for a commodity. We think that is unworkable administratively.

Second, we think it would lead us right back into another inflationary spiral. On every commodity that was involved, we feel the Administrator would be faced with an almost impossible decision, namely, whether to break the price ceiling or whether to pay the support price. The net result probably would be that there probably would not be very many actions of any kind taken. So that what you would come out with from the farmer's standpoint would probably be a reduction in farm income. From the consumer's standpoint, you would probably come out with higher prices.

I would like to read to the committee one paragraph pointing out that administrative difficulty:

"The provision would not only immediately increase the cost of living but it would make it impossible for us to adopt support programs needed to increase production without causing a still further rise in the cost of living. Undoubtedly if we must in each case weigh the advantages of a support program against the disadvantages of an increase in the cost of living, many support programs which might otherwise be adopted will be rejected, and other support programs, although finally adopted, will inevitably be delayed."

That is from the President's veto message of last July, when such a provision was incorporated in the Commodity Credit Act of that month.

Now on the general question of subsidies, support prices, and so forth, we feel that right now for the first time in the war situation most of the economic factors involved are beginning to level off. Nonfood prices are leveling off, farm prices are leveling off, so that if the line can be held we think it would be for the public good.

We would like to point out, too, that there is a factor in the leveling off of farm prices which is unpredictable. Right now there is a considerable seasonal element in the stability of farm prices. In other words, if all the other factors were the same and this were 3 months later in the year, it is not at all certain that we would have as good a record on food prices as we have now.

We feel that looking at this situation purely from the farmer's standpoint he has everything to lose by a general breaking of ceilings, which we feel is very likely to follow if the precedent is set by this committee in the consideration of this legislation.

The farmer always loses first going up, and he always loses first coming down.

Second, on the purely income value of the subsidy, as opposed to the rise in prices, we believe that ordinarily a subsidy channels money directly to the producer, and ordinarily any price rise is diluted. By the time the farmer gets his cut from the increased price, it is usually less than he would get if the subsidy would come directly into the farm.

Finally, as a taxpayer, we believe the farmer better off.

The Congress, I believe last spring, passed a military bill of \$69,000,000,000, approximately. Now in 1941 the wholesale commodity index stood at about 127. At the time that bill was passed it stood at 152. In other words, that was just about a 20-percent increase. If the \$69,000,000,000 bill had been passed in 1941, and assuming that labor and other factors were roughly in that same range, 20 percent, then obviously the National Government would save \$13,800,000,000, which now has been added to the national debt. That comes out of farmers, as taxpayers, just the same as it comes out of any other taxpayer.

That is all I have to say, Mr. Chairman.

There you have the views of a farm organization as to the advantages of subsidies.

In conclusion, in my opinion, there is but one issue here. Do we want inflation or do we fear and repel it? Congress has already ordered prices stabilized. Is there enough heat in certain sections of this country to defrost prices and send the mercury in the economic thermometer up to the point where it will break the top?

Mr. CRAWFORD. Mr. Chairman, I yield 10 minutes to the distinguished gentleman from Pennsylvania [Mr. SNYDER].

Mr. SNYDER. Mr. Chairman, I asked for this time today to present an informal committee report to the House. The time is opportune, since we shall soon become engaged in the consideration of another tax measure, and, consequently, Federal finances generally.

The need for the forthcoming tax measure grows out of the war in which we are now engaged. The cost of its prosecution is daily mounting and no one at this time can even approximate the ultimate total.

The Committee on Appropriations, and more particularly the military subcommittee thereof, of which I have the honor to be chairman, have been the agents of the House in determining the amount of public funds that should be made available to the Army for the prosecution of the war; and, in that capacity, have had a large responsibility in the size of the debt the war has entailed, and, therefore, in creating the need to provide ways and means for its liquidation.

We recognize that responsibility and have conscientiously endeavored to discharge it; with the best interests of the country as a whole ever foremost in mind and deed. Whether or not we have done our job well, I shall leave to the judgment of others. It would seem appropriate, however, to call attention to the fact that every regular annual military appropriation bill we have presented to the House since Pearl Harbor, has had the unanimous support of the House, as evidenced by recorded votes, except that there was one vote cast against the bill for the fiscal year 1942.

In writing the wartime military appropriation bills, Mr. Chairman, we have not proposed to the House an appropriation for a single project which had not been justified to us by our military leadership as being essential to the war effort.

The aggregate of military appropriations has been large. Tersely, that is because of global warfare and modern military implementation. For the period July 1, 1940, to date, the total, roundly, is \$127,000,000,000.

The current fiscal year's portion of that aggregate is \$59,034,839,673. That amount astounded us as much as it astounded you. We spent many days going over the details with Army chieftains. My subcommittee does not take anything for granted. The Chief of the Army Service Forces, General Somervell, told us, referring to the total of the appropriations requested for the current fiscal year, that such amount, and I use his own words, "can and will be obligated in full by June 30, 1944."

At that time the Allied armies had just ridden north Africa of Axis forces. The drive across the Mediterranean had not begun. Our Air Forces in Britain and north Africa had not then approached their present magnitude or striking power; we had not progressed much beyond Guadalcanal in the Solomons, and the German submarine continued to be a serious menace to the expansion and supply of our own forces across the Atlantic and in getting aid to our allies. We were then, I might say, as it has since developed, just at the threshold of the events which in recent months have inspired us all.

In such circumstances, my colleagues, is it conceivable that any red-blooded American would have denied a dime in the face of assertions of need by the best military minds we had? We did not, except in a few instances where there was no demurral on the part of the War Department, and you, with one voice, endorsed our course.

Happily, much has transpired since that time, Mr. Chairman. The American Army today is really on the march. With our British allies it is striking at the German citadel from the air in ever-increasing volume and effect, and jointly with our British allies, it is steadily advancing up through Italy on the ground. North Africa has been turned from a battleground to an operating base. The submarine has been checkmated, sea lanes have been shortened, and water transport now moves with comparative safety. In the south or southwest Pacific, Allied forces have been advancing up through the chain of islands lying north and northeast of Australia, and judging by latest dispatches, the time is not far distant when the Japanese will be dispossessed of all important holdings and strategic bases from Guadalcanal on the east, to the western tip of New Guinea on the west. The record of successive accomplishments is a grand tribute to American arms.

Today therefore, Mr. Chairman, were we writing the current Military Appropriation Act, we would be able to capitalize on these changes that have so

greatly altered the situation obtaining but a few short months ago. We are going to capitalize now, however, in another way, as I shall explain in a moment.

General Marshall, Chief of the War Department General Staff, in his biennial report covering the period July 1, 1941 to June 30, 1943, paved the way for some very substantial economies. Let me read two or three passages from that very splendid and comprehensive document:

It is difficult to keep in mind the constant changes in the international situation and in the development of trained troops and munitions which dictated the succession of decisions and actions. For example, in the light of the situation today, the summer of 1943, we are not justified in maintaining large air and ground installations in the Caribbean from Trinidad north to Cuba and even in the Panama Canal Zone itself so far as mobile ground forces are concerned.

Here is another:

Our deployments were made in the light of limited resources in troops and equipment at the time and a continuing lack of sufficient ocean tonnage or landing craft, or both, and were influenced also by the length of turn-around required of ocean shipping and the limited docking facilities in many ports. As these conditions changed our strategic approach to the war was altered accordingly. The recent opening of the Mediterranean to convoys, for instance, has profoundly affected the logistical possibilities in this world-wide war.

And lastly, still quoting from General Marshall's report:

Another factor is now operating to our advantage. We are reaching the end of the expansion; already it has been possible to reduce many training installations to a purely maintenance basis to furnish replacements for the present strength of the Army.

Largely in consequence of the foregoing, immediately following our recent recess, the chairman of our naval subcommittee, the distinguished gentleman from California [Mr. SHEPPARD] and I, as chairman of the military subcommittee, after counseling with the gentleman from Missouri, Chairman CANNON, put our heads together and determined that each of us would review the appropriations earlier made available for the current fiscal year. Accordingly my colleague called on the Secretary of the Navy and I called on the Secretary of War to have a restudy made of fiscal needs in consequence of changes in the war situation with view to a formal inquiry by our respective subcommittees. The Navy study is still in process, I am advised, although an advance report did make it possible, in writing the deficiency bill just passed a few days ago, to use \$750,000,000 of funds appropriated for Navy ordnance to increase the capital of the naval stock fund, instead of doing so by way of a new or additional appropriation.

As a result of the study made by the War Department, the Secretary of War transmitted to me on November 3, 1943, a statement of currently available military appropriations which it had been found practicable to transfer to the Bureau of the Budget reserve. Such transfers aggregated \$10,943,519,449.

Commencing last Monday morning the military subcommittee of the Committee on Appropriations convened to examine the statement and to ascertain whether or not it would be practicable to place additional amounts in such reserve. We had before us the deputy chief of the War Department General Staff, Lieutenant General McNarney, Under Secretary of War Patterson, and a host of other officers of the War Department, including several branch chiefs. In consequence of our inquiry, which extended over 3 days, the Department has consented to add an additional amount of \$2,220,000,000 to the Bureau of the Budget reserve, making a grand total of \$13,163,519,000.

The contributing factors are:

First, reduction in military personnel strength. We appropriated for a force of, roundly, 8,200,000 officers and men. By reason of subsequent war developments, a reduction of 548,000 has been determined upon by the War Department high command. That means a saving in pay, travel, subsistence, clothing, and so forth of \$1,946,039,000.

Second, curtailment of the armament and equipment programs, \$8,262,759,000.

Third, reduction in facilities, including maintenance, \$780,447,000.

Fourth, modification and possible permanent deferment of the airplane program, \$2,086,069,000.

Fifth, miscellaneous projects, \$88,205,000.

The total, as I stated before, is \$13,163,519,000.

Now, what do these reductions mean, Mr. Chairman? They mean that unless some unforeseeable situation should arise, all of the 13 billions-plus will revert to the Treasury on next July 1, and that our ultimate debt will be diminished by a corresponding amount, and hence our tax levies over the years will be to that extent lightened.

We were assured that in the light of conditions presently obtaining, this vast amount can be given up without in the least impairing the war effort of ourselves or of our allies; without in the least impeding the expeditious and vigorous prosecution of the war.

I am sure, Mr. Chairman, that this will be welcome news to all who are disturbed over the mounting public debt, and all of us should be so disturbed. It has no immediate bearing upon the need to raise additional revenue, but it means that some day there will be that much less debt to be liquidated and, consequently, a lesser amount of taxes to be paid ultimately.

The amount is equivalent, approximately to 33 percent of the estimated Treasury receipts from all sources during the current fiscal year, according to a statement issued by the President on July 27 last. It exceeds by \$6,086,091,333 the total amount actually received through direct taxes on individuals during the fiscal year 1943.

Perhaps I should explain before concluding that a Bureau of the Budget reserve means the removal of funds from control of the agency for which appropriated. No part of amounts so reserved

can be obligated without release by the Bureau of the Budget. In this instance, however, there will be an additional step, because the Department has signified that it will not seek the release of funds of any magnitude should subsequent events make such course necessary, without conferring with the subcommittee of which I am chairman.

Mr. Chairman, in conclusion, I wish to say to the House that the War Department has not been coerced into giving up this money. The War Department itself, took the initiative and has established a procedure whereby additional amounts will be placed in the Budget Bureau reserve from time to time as and when circumstances may be justify. The Department has an exceptionally capable official in Brig. Gen. George J. Richards, Budget officer of the War Department General Staff. The committee feels that, working with and under the direction of the General Staff, General Richards may be relied upon to handle the purse strings as economically as may be consistent and practicable under war conditions.

Mr. BROWN of Georgia. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. FOLGER].

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. FOLGER. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. I happen to be quite well acquainted with the gentleman and know he is a conscientious follower of the principles of Thomas Jefferson. I believe the gentleman is going to speak in defense of the subsidy program. Would he, with his beliefs, consider that the subsidy program involves this country in State socialism, as has been charged?

Mr. FOLGER. My answer to that would be, that if I thought that, I do not think I would be here speaking as I propose to.

Mr. Chairman, the observation has been made during the debate on section 3 of the Commodity Credit Corporation bill that it was not desired to talk about the war. We have to think about the war. I doubt if I would find myself able to go along to any extent on the position I am about to take in reference to this section if we were not in war. But we are in war, and war is costing this country vast amounts of money. While we know what will be the end, that we shall accomplish a glorious victory, we do not know when that end will be. It is, therefore, quite apparent to all of us that many more billions of dollars will have to be spent in the prosecution of this war. Therefore, it becomes highly important to all America to consider that we are in war when we talk about this bill which would continue the life of the Commodity Credit Corporation.

Mr. Chairman, I do not know whether the percentage is 35 or 40 or 50 or 60, but it is true and acknowledged that the Government, itself, at this time—and it will continue to be, particularly so long as this war lasts—is a great purchaser of goods of every sort. Do we propose to sit still and allow prices to soar to the

point where foods will cost three times as much as they do, where clothing will cost three to four times as much as it does, where tanks and guns and planes and munitions of war will soar to where we shall have to pay four or five times as much as we are now having to pay?

These things will come to pass if we allow unbridled inflation to grip this country in this time of peril. Mr. Chairman, the war, therefore, does make it highly important that we give attention to the question of inflation, which so definitely threatens us. It has been put to you in another way, but I have thought of it in this way: We will either have to abolish the Office of Price Administration and let prices soar as they may, or make production or incentive, or, if you want to call it that, subsidy payments, on some articles of food, in order to get production, unless we take it out of the hides of the farmers of this country. As sure as you live today, this section 3, which is written into this Commodity Credit Corporation bill, will actually prohibit support and incentive payments which we have to have to get production, unless we pauperize the farmers of the country in the name of patriotism. What are you going to do? Are you going to allow prices to soar and the Government have to pay two or three or four times as much for goods and materials as it now pays, as well as the people themselves, or are you going to make a subsidy payment, if you want to call it that, here and there, in order to control the over-all rise in prices to prevent inflation, or are you going to say to the farmer that in the name of patriotism he may go ahead and produce but that we will take it out of his hide and will not give any production or incentive payment or consideration to him? We have to do one of these things.

Mr. Chairman, I am going to express on my part a little confidence in the honor and integrity of the men who appeared before the Banking and Currency Committee and testified to us that there is no proposal, there is no program, no thought of a program to indulge in unrestrained subsidy support or incentive payments which are pictured as very highly detrimental to the economy of this country, and probably so. When I heard Fred Vinson before that committee testify it was not the purpose of this administration or himself or any other man connected with it to indulge in unrestrained subsidy payments I believed him. He requested and begged and pleaded with us to trust him, as well as Mr. Byrnes, and Marvin Jones, and even, if you please, the Director of the Office of Price Administration, Director Bowles, all of whom I believe to be honest and fair and true to the American people in this situation, in their desire to control the threatened danger of inflation, and the spiral in wages which will submerge the economy of this country, and make us unable to carry on the war. I do not believe that these men were trying to deceive the members of the Banking and Currency Committee when they promised us that they not only would be careful, but exceedingly careful in using any

payments that were called subsidy payments.

We are not talking about consumers' subsidies all the time. We are talking about these payments. Remember that there are a great many of our people who are our brothers, who are entitled to our consideration, so we are the power that holds the destiny of them in our hands, as well as others. It is said that there are from fourteen to seventeen million of these people who have received no substantial increase in their income—whom we refer to as the white-collar men—who have not had increases in wages, and who are destined to be pressed to the stage of pauperism unless we do something about the rising prices that are threatened. The very greatest importance attaches to this program which Mr. Vinson and Mr. Jones and others have asked us to allow them to deal in with care, so that it will have the effect of preventing inflation, and not be taking it out of the hides of the farmers but a small payment on this commodity and that, here and there, made to prevent a general rise in prices in everything.

When it starts it is like a judge in my State, talking about the statute of limitations—and I mean it politely; I do not like to deal in anything bordering on profanity—said, "When it starts, all hell cannot stop it." We are all working to the same end. We are all hoping that this economic disaster may not overtake us. You have got to do one of three things. You must take the price ceilings off and let it rise, or you must take it out of the hides of the farmers, or you must provide a means in between the two where neither will be done; and we can go along in a reasonable way in view of the war that we are in and we will have to continue to provide for our farmers and keep down inflation and let our people live.

And when inflation comes, if we allow it, the farmer will be the first man to bear its evils. As he may receive a rise of 10 percent in what he sells, he will pay double, or more likely four times more, for what he has to buy—machinery, clothing, shoes, hats, dress goods, everything his family must have to live on and his dollar is worth 25 cents instead of a hundred.

And all along the line it will affect us all; and that effect will be disastrous. Let us, in this as in all things, apply the rule of reason and reasonableness.

Mr. BROWN of Georgia. I yield 2 minutes to the gentleman from Massachusetts [Mr. LANE].

Mr. LANE. Mr. Chairman, if we visualize the stabilization line as the starting gate of a horse race we will have an appropriate picture to describe the national scene at the present time. Every analogy limps, of course, but the sight of various forces, tensed and excitable as thoroughbred horses straining at the leash, leads to the inevitable conclusion that if one of these forces breaks the others will rush in pursuit. This figure does not clearly signify the inflationary spiral which will ensue if present controls are broken, but it may serve to

remind us that various groups of our Nation are vying in competition with one another, having abandoned mutual accord and self-sacrifice. And it is pertinent to point out too that the income of our people is absolutely, inexorably tied up in this contest, and the Federal Government is dually involved, not only as the protector of the private dollar but also as the greatest investor. But the tragedy in this contest will occur only if the starting flag is waved.

One of the dangers of the heightening of this competitive drive is that the significance and meaning of the entire problem is lost in the jockeying and maneuvering that has arisen. The fight against inflation has become, or at the very least gives ominous threat of becoming, a battle royal which bruises all and benefits none. And I am gravely fearful that the ban on subsidies on food, which represents the objective of one or more of the vying forces, will act in the same way as the stone which Jason threw among the armed soldiers which led to a thoroughly effective mutual self-slaughtering. But there are other Jasons and there are other stones poised. This then is a crisis.

I say we have lost a comprehensive picture of the whole situation; we have lost sight of the objective for all, namely the control of the inflationary spiral. For instance, we are forgetting that subsidies are but one aspect of the common struggle. We are also forgetting that subsidies are an important integral part of that struggle. To ban subsidies is to throw down the flag that signifies the start of the self-defeating struggle.

It would be a sufficient argument against banning subsidies to recognize the manifest truth that the precarious balance which we have been holding in maintaining the stabilization line would be broken down completely if the forces for inflation achieve their purpose. Examples recent and ancient testify to the exactness of the figure contained in the phrase "inflationary spiral." Costs, wages, and prices chase one another in an ever-increasing ascent when restraint is broken until the exhaustion of the effort succumbs to a break in confidence and all involved in the grim circular ascent realize painfully the futility of their chase. Then the accumulated possessions which they have picked up in the pursuit are not sufficient to purchase a drink of water to quench their thirst.

This is highly figurative language, and it fails to reveal the reality of privation forced particularly on those who are left behind. Our attention must be drawn now to those who have already been outstripped. A ban on subsidies would give wings to food prices and would ultimately make of the Little Steel formula an abandoned bastion which had been sacked before being overrun. But there are fourteen millions of our people for whom the Little Steel formula has had no personal application as a fort in which they could take shelter. Our aged people, our pensioned people, our people with anchored incomes constitute not a small segment of that group. The pension is either a sinecure against privation as a minimum reward for long years

of faithful service or an acknowledgment by all the people of their debt to veterans of former wars and their families. To ban subsidies, and thus to give free rein to mounting costs would be to place an inhumane heel on the shoulder of the tied victim of a minimum income in our selfish effort to jockey for an inside position in the panicky race.

But there are many others who are tied to the ground during these days. They include the great majority of what we term the middle class, although this phrase is gratuitous during these days. In plain terms they are the families who are dependent on allowances and allotments because the principal wage earner is in the service. They include the public servant whose duties are multiplied during these days, whose sacrifices have already been great and who is asked now not for further sacrifice, but for surrender. To ban all subsidies is to use a whip in the double role of driving the leader ahead and lashing the victim behind in the runaway. Not only does the wheel that does the grinding get the grease, but the wheel that has stopped grinding because it has stopped running is thrown into the discard. But we are dealing with humans, which thought may bring the comparison into some focus. It should be emphasized too that organization has demonstrated its ability to do some artificially created grinding. We have had evidence of that during the debate on the present bill. And, the grinding has certainly not been harmonious.

The efficacy of subsidies has been demonstrated repeatedly on the floor by many of my more learned colleagues. But I would emphasize the necessity of subsidizing, at the barest minimum, specified and unquestionably essential foods. The opponents of this absolute necessity present many arguments to support their contentions that subsidies are dangerous impositions or needless remedies. I direct their attention to the most manifest and most significant factor that we have reached an alternative between subsidies or chaos. Whatever figure we employ to describe the situation, the spiral, the race, the panic, all signify the clear conclusion that to break the line means to invite chaos. This is the consideration above all others which must be borne in mind. We have fought inflation and its consequences with patchwork methods and have suffered hardships at home; we have been forced, some of us, to accept inequities. But we have kept some balance. But there can be no balance on a spiral. Only a small percentage strike it rich in a gold rush. The deliberate choice for chaos involves a responsibility which I would certainly hesitate to assume, and I urge the Members of the House not to invite it either.

Even if the crisis were not so grave and the alternatives not so clear, I would support a subsidy program designed to prevent inflation. But small question can be raised that this is not a serious crisis and that the issues are not clear. Consequently, all other arguments which do not take this basic alternative into con-

sideration are more or less irrelevant. They are skirmishes, skillful perhaps and capable, but they have not joined in the crucial battle and are inconsequential to its outcome.

The prudent, discriminate, and effective use of subsidies is an important part of our fight against inflation, to be employed together with increased taxation, price control, rationing, and the sale of Government bonds to minimize the threatening gap between supply and demand, between the limited quantity of available goods and the increased income to purchase those goods. All these controlling forces have been assailed again and again; of late the assaults have been more determined, more threatening, more insistent. We have reached the critical stage where a breakthrough at one point would force a break all along the line. I can see little possibility of an ordered retreat to another strong line of defense. There are no natural barriers to fall back on nor any prepared line of defense ready to withstand the assault, particularly when it has gained impetus. The forces which threaten the line have deliberately whetted their appetites; in fact, they remind us of Shakespeare's phrase, "As if increase of appetite grew by what it fed on."

It may be vain to point out the alternative. It may be that the opponents of subsidies have realized the consequences which will result. It may be that they anticipate a break in the stabilization line and are determined to be in the front if the break occurs, "Let the devil take the hindmost." I greatly fear that he will, for he can appear in many different guises. But the alternative remains clear in my mind. Not that I would resign myself to chaos if this line is broken. We fight with all our resources against disorder and breakdown. But the fight is dangerously close to being futile once the race is begun.

Mr. WOLCOTT. I yield 5 minutes to the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Chairman, next year's program of drilling wells, as drawn up by the Petroleum Administration for War, is 24,000 wells. This was stated recently by the Director of Production of P. A. W.

The division as to kinds of wells is 5,000 wildcats and 19,000 development wells in fields already found.

That is the program. I believe it will fall far short of being carried out unless there is an improvement in the price of oil great enough to justify the increased drilling. It is a considerable increase that is called for. It is about 7,000 more than will be drilled this year and, as to the 5,000 wildcats on the program, it is about 1,600 more than will be completed this year. The Petroleum Administrator early in 1943 made a plea for at least 4,500 wildcats and the number that actually will have been drilled when the year closes will be about 3,400.

So, the projected program of drilling for next year is on order. It is a program that reflects the necessity of the case, but the essential thing that would

make it possible is being ignored. Man-power, materials and equipment, they assure us, will be available—everything except money. The oil producers want to drill and to supply the Nation's oil needs. They know the places to drill and they know how to make old wells produce more, but merely knowing how will not add a barrel to the supply. It takes money to put the knowledge into operation. The oil producer does not have the money.

This was recognized by the Director of Economic Stabilization in turning down the general price advance repeatedly recommended by the Petroleum Administrator, numerous committees of this Congress, all elements of the oil industry, and the State officials who deal with oil problems every day of their lives. The Director of Economic Stabilization made one decision, that no price increase was needed, then admitted that the industry is not getting in enough money to increase its efforts when he told the Petroleum Administrator to invent some kind of a subsidy program for wildcatting and for the preservation of the stripper wells.

There is no plan, no authority and no money for any such scheme. The Petroleum Administrator, who has previously condemned such subterfuges and evasions of a simple issue, said in a Chicago speech on November 11:

Obviously, an attempt to invent such plan or program is the next step.

Note the words, "attempt" and "invent." That sounds as though he does not believe in the scheme any more than he did last summer when he wrote to Prentiss Brown on the subject.

He will attempt to invent a plan. There is no plan and nobody has even a foggy notion of how to make one. The oilmen and all those others I have mentioned have a plan. It is simple and self-executing. Raise the price. That has always worked. That is how they found the oil for the other World War. Nobody was around then proposing any game of trading financial moonbeams for oil rainbows. The producer was allowed a price that would let him pay for the extra drilling he was asked to do.

Who knows what this vague scheme of incentives would cost? Nobody knows. They have kept on yelling over at the O. P. A. and at the Office of Economic Stabilization that a price increase of 35 cents a barrel for crude oil would cost the Nation a half billion dollars. Still, they blandly propose something that could not cost any less. Last year, again quoting the Director of Production of the P. A. W., it cost \$308,000,000 in discovery costs alone. For next year's program, it is recommended that 2,000 more wildcats be drilled than in 1942, so add two-thirds on the discovery bill, for the 1942 program was 3,000 wildcat wells. Already, you cross the half-billion dollar mark. If this money is to come out of the Federal Treasury, where is the economy to the consumer who gets the bill in taxes? True, some part of the program would be paid by industry itself, but there probably would be enough of it added to the debt, plus the relief for stripper wells, to match the figure they assume

the Nation would pay by direct price increase.

The important thing about a price increase is that it would work and get results, and a subsidy would bog down in the same swamp of bureaucratic delays, red tape, and vacillations as the rest of their programs already have. Look at their performances in other lines and judge whether you want them to bungle around any longer with this vital question of oil supply.

Last Tuesday, the Honorable WRIGHT PATMAN, the distinguished Member from Texas, spoke at some length in support of subsidies. In the discussion which attended his remarks, the Honorable GERALD W. LANDIS, of Indiana, asked this question:

Is the gentleman in favor of subsidies on oil?

To which the gentleman from Texas [Mr. PATMAN] replied:

I am in favor of subsidies on anything that will encourage production without increasing the cost of living. You see, we have to have some kind of standard or guide to go by. I ask the gentleman now, and I ask any person present here, if he can name any way on earth that you can hold down the cost of living and encourage production without the use of a subsidy. I yield to any person who says he has a plan.

He thus gave his approval to subsidies in the oil industry. Yet, in an interim report of the Committee on Small Business, of which the gentleman from Texas [Mr. PATMAN] is chairman, under date of May 10, 1942, the following conclusion was stated:

That subsidies and bonuses are untried in the oil industry and unworkable and undesirable for the general purposes now needed.

I do not know which of the gentleman's views to accept as being his firm opinion. I know what the men of experience, the doers, and not the theorists think of subsidies. They are in entire agreement with the expression of the Small Business Committee, which I have quoted.

We will not drill the number of wells which the Petroleum Administrator recommends in 1944 under the present price, nor will we maintain the small wells of the Nation in production. These wells produce 15 percent of today's supply of oil in this country. They are dying every day, and thousands have been sold to the salvage dealers this year. Each one that goes takes away some quantity of oil from the Nation's supply. The production from a single well which produces but 1 barrel a day supplies the gasoline for 50 A-card consumers in the East, besides the other products which come from oil.

The need is for more oil. It must come from fields yet to be discovered and from those now producing. Supply can be increased from both sources, but not under this price or through some weird and complicated system of subsidies or bonuses.

Mr. BROWN of Georgia. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 3477, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to extend my remarks on two separate subjects and to include therein letters written by me and letters addressed to me.

The SPEAKER. Is there objection?

There was no objection.

Mr. ROWAN. Mr. Speaker, in connection with the Lea aviation bill, H. R. 3420, I desire to extend my remarks and include a telegram, a letter, and an editorial from the Chicago Daily News entitled "The Lea Bill."

The SPEAKER. Is there objection?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. JOHNSON, of Indiana, for November 19, 1943, on account of official business.

To Mr. O'LEARY, of New York (at the request of Mr. DICKSTEIN) indefinitely, on account of illness.

ADJOURNMENT

Mr. ROWAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 20 minutes p. m.), the House, pursuant to its order heretofore entered, adjourned until tomorrow, Friday, November 19, 1943, at 11 o'clock, a. m.

COMMITTEE HEARINGS

COMMITTEE ON FOREIGN AFFAIRS

The Committee on Foreign Affairs will begin public hearings on Friday, November 19, 1943, at 10:30 a. m., on House Resolutions 350 and 352, providing for the establishment by the Executive of a commission to effectuate the rescue of the Jewish people of Europe.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DOUGHTON: Committee on Ways and Means. H. R. 3687. A bill to provide revenues, and for other purposes; without amendment (Rept. No. 871). Referred to the Committee of the Whole House on the state of the Union.

Mr. WALTER: Committee on the Judiciary. H. R. 3270. A bill to affirm the intent of the Congress that the regulation of the business of insurance remain within the control of the several States and that the acts of July 2, 1890, and October 15, 1914, as amended, be not applicable to that business; with amendment (Rept. No. 873). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DOUGHTON:

H. R. 3687. A bill to provide revenue, and for other purposes; to the Committee on Ways and Means.

By Mr. FAY:

H. R. 3688. A bill to change the name of "watchman" in the Postal Service to that of "post-office guard"; to the Committee on the Post Office and Post Roads.

H. R. 3689. A bill to provide 6 months' pay to all honorably discharged veterans of World War No. 2; to the Committee on Military Affairs.

By Mr. HOBBS:

H. R. 3690. A bill to safeguard the admission of evidence in certain cases; to the Committee on the Judiciary.

By Mr. RANDOLPH:

H. R. 3691. A bill to permit the construction, maintenance, and use of certain pipe lines for steam-heating purposes in the District of Columbia; to the Committee on the District of Columbia.

By Mr. SATTERFIELD:

H. R. 3692. A bill to provide for National Guard and Reserve officers, who have served in two wars and have reached the age of retirement while in active service, the same pay and allowances as are applicable to officers of the Regular Army upon retirement; to the Committee on Military Affairs.

By Mr. CANNON of Missouri:

H. R. 3693. A bill to aid in the stabilization program and the war effort by paid newspaper advertising in connection with the sale of United States bonds, and for other purposes; to the Committee on Ways and Means.

By Mr. JARMAN:

H. Con. Res. 57. Concurrent resolution authorizing the printing of additional copies of the hearings held before the Committee on Ways and Means of the House of Representatives, current session, on the bill 3687, Revenue Act of 1943; to the Committee on Printing.

By Mr. LANHAM:

H. Res. 358. Resolution to establish an Office of Fiscal Investigations as an agency of the House of Representatives; to the Committee on Accounts.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FORAND:

H. R. 3694. A bill for the relief of Charles Myers; to the Committee on Naval Affairs.

By Mr. CURLEY:

H. R. 3695. A bill for the relief of the estate of Thomas Shea, deceased; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3616. By Mr. Schiffer: Petition of Jiosep Consalvo and other citizens of Follansbee, W. Va., opposing House bill 2082; to the Committee on the Judiciary.

3617. By Mr. Case: Petition of J. M. Tucker and 50 other residents of Edgemont, S. Dak., urging prohibition for the duration of the war, or at least a rationing of liquor to avoid the use of essential food and materials in liquor manufacture and distribution; to the Committee on the Judiciary.

3618. Also, petition of Mrs. Wayne Morrison and 117 other residents of Sturgis, S. Dak., urging the enactment of House bill

2082, to prohibit the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war and until the termination of mobilization; to the Committee on the Judiciary.

3619. By Mr. STEFAN: Petition of Charles H. Foe and 17 other citizens of Polk, Nebr., urging enactment of House bill 2082; to the Committee on the Judiciary.

3620. Also, petition of Mabel Stevens and 34 other citizens of Polk, Nebr., urging enactment of House bill 2082; to the Committee on the Judiciary.

3621. Also, petition of Arthur W. Larson and 19 other citizens of Polk, Nebr., urging enactment of House bill 2082; to the Committee on the Judiciary.

3622. Also, petition of Josephine R. Lindburg and 36 other citizens of Polk, Nebr., urging enactment of House bill 2082; to the Committee on the Judiciary.

3623. By Mr. SMITH of West Virginia: Petition of the Boyd Memorial Sunday School and Randolph Street Advent Sunday School members, Charleston, W. Va., urging the passage of House bill 2082, the Bryson bill; to the Committee on the Judiciary.

3624. Also, petition of Mrs. C. A. Sinnett and other citizens of North Charleston, W. Va., urging the passage of House bill 2082, introduced by Hon. JOSEPH R. BRYSON, of South Carolina; to the Committee on the Judiciary.

3625. By Mr. GRIFFITHS: Petition of sundry citizens of Licking Township, Muskingum County, Ohio, supporting Senate bill 860 which would give legal protection from the traffic in all alcoholic beverages and from commercialized prostitution in and around Army training camps and all military and naval centers; to the Committee on the Judiciary.

3626. By Mr. COCHRAN: Petition of George Boswell and 18 other St. Louis citizens, protesting against the passage of House bill 2082 which seeks to enact prohibition for the period of the war; to the Committee on the Judiciary.

3627. Also, petition of Victor Marino and 35 other St. Louis citizens, protesting against the passage of House bill 2082 which seeks to enact prohibition for the period of the war; to the Committee on the Judiciary.

3628. Also, petition of C. S. Lawton and 22 other St. Louis citizens, protesting against the passage of House bill 2082, which seeks to enact prohibition for the period of the war; to the Committee on the Judiciary.

3629. Also, petition of the Krey Packing Co. and signed by 95 St. Louis citizens, protesting against the passage of House bill 2082, which seeks to enact prohibition for the period of the war; to the Committee on the Judiciary.

3630. Also, petition of the Mayfair Hotel and signed by 60 other St. Louis citizens, protesting against the passage of House bill 2082, which seeks to enact prohibition for the period of the war; to the Committee on the Judiciary.

3631. By Mr. FORAND: Petition of Guyan Mills, Inc., Valley Falls, R. I., and employees, protesting against the statutory increases in rate of the Federal old-age and survivors insurance tax effective January 1, 1944, and requesting the Congress to freeze this rate at 1 percent for the duration of the emergency, because various and sundry taxes are already extremely burdensome, and this particular tax will double the income from this source, which is already ample for the purpose intended; to the Committee on Ways and Means.

3632. By Mr. CASE: Petition of Mrs. Hiram Crow and 67 other members of Townsend Club, No. 1, of Lemmon, S. Dak., urging support of House bill 1649, the Townsend bill; to the Committee on Ways and Means.

3633. Also, petition of Mamie B. Long and 11 other members of the Townsend Club of

Martin, S. Dak., urging support of the Townsend plan and House bill 1649; to the Committee on Ways and Means.

3634. Also, petition of Harry C. Burntrager, adjutant, Captain Jack Foster Camp, No. 3, United Spanish War Veterans, Department of South Dakota, at Hot Springs, S. Dak., and other citizens of Hot Springs, requesting favorable consideration by the House of Representatives on House bill 2350, the Buckley bill; to the Committee on Pensions.

3635. By Mr. McCOWEN: Petitions signed by 443 persons of Clermont, Brown, Scioto, Adams, and Highland Counties, Ohio, urging passage of the Bryson bill, H. R. 2082, which would prohibit the manufacture, sale, or transportation of alcoholic liquor in the United States for the duration of the war and until the termination of demobilization; to the Committee on the Judiciary.

3636. By Mr. HOLMES of Washington: Petition of sundry citizens of Prosser, Wash., urging enactment of House bill 2082, to bring about a suspension of the alcoholic-beverage industry for the duration of the war; to the Committee on the Judiciary.

HOUSE OF REPRESENTATIVES

FRIDAY, NOVEMBER 19, 1943

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father Almighty, heaven and earth are filled with Thy glory and praise becometh the upright in heart. So often, dear Lord, strange fears and anxious hopes mingle in our breasts and then we would draw nearer to Thee and understand. For the joys of human experience do Thou make us tremendously ambitious, lifting us above the leaden things of life, shaping our souls mysteriously into the divine image.

O God, make us strong to bear the burden of and the heat of the day, dominated, enthralled by the spirit of justice; we plead for national deliverance from all social and political ills which undermine the domestic peace of our citizens. O let the spirit of our Master fall upon us like a garment until we deeply realize the sanctity of our heritage for the hope and advancement of mankind. Each day we pray that we may carry with us that patriotic devotion unabated, possessing the kingship of understanding and unity, inspired by the conquering supremacies of life. O lead us with strong wills and might of soul to believe that we are a part of a great purpose that shall carry with it the rapture of moral victory and spiritual progress for the sake of the appealing masses of this sad earth. In our Redeemer's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

ANNIVERSARY OF THE GETTYSBURG ADDRESS

The SPEAKER. The Chair recognizes the gentleman from Indiana.

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent that I may read to the House an address delivered by Abraham Lincoln 80 years ago today.